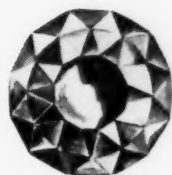


# *The* NATIONAL UNDERWRITER

## *Celebrating*



## 75<sup>TH</sup> ANNIVERSARY

It was on February 16, 1865, when the original charter of Millers National was granted by a special act of the Illinois legislature at Springfield.

"Back in '65"—the Middle West had not yet emerged from its pioneer stage of commercial development. Chicago had hardly outgrown the proportions of a country town.

Yes . . . . . time passes. Seventy-five years have gone by—years of experience—years of progress. Millers National has built up its resources and is today one of the strongest fire insurance companies of our nation. Its complete services extend from coast to coast.

Illinois Fire, too, would fill a good sized volume with inspiring chapters of human effort and achievement. Established in 1876, it has a background of sixty-four years.

Behind the services of these two companies are fine old traditions grown out of many years of experience.

**MILLERS NATIONAL Insurance Co.**

Home Office: CHICAGO

Established 1865

**ILLINOIS FIRE Insurance Co.**

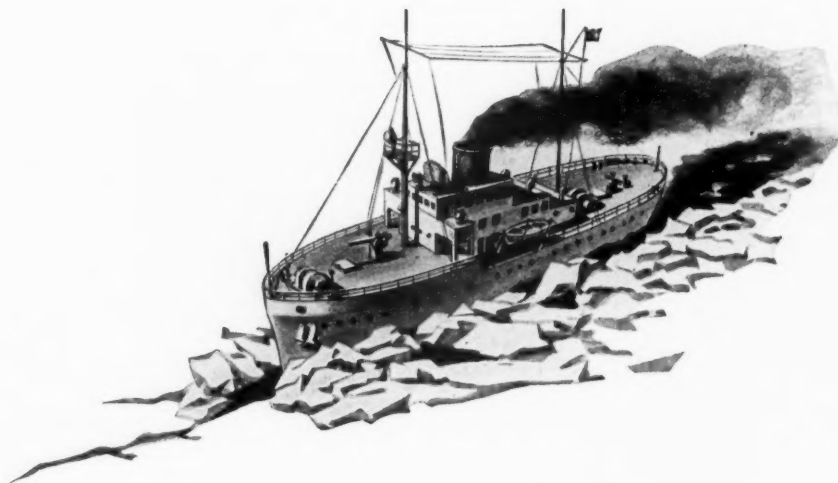
Home Office: CHICAGO

Established 1876

Service Headquarters for Alert Agents

THURSDAY, FEBRUARY 8, 1940

### **Ice-breaker**



In Arctic waters, especially equipped ships are constantly breaking the ice to maintain adequate shipping channels.

In much the same way, Standard Accident of Detroit is continually clearing sales channels for its agents and brokers.

Right now the way has been opened for Standard producers to increase *public liability* premiums. The company's national advertising is being directed toward home owners,

landlords, merchants, manufacturers, contractors and others who need this protection. This advertising will appear in national magazines read by over 3,500,000 individuals.

Standard's up-to-date agency co-operation includes the services of resourceful field men; experienced underwriters, auditors and claim men; effective safety engineering; a continent-wide claim service; *all* backed by a strong and reliable institution. A Standard field man will be glad to give you details.

## **STANDARD ACCIDENT INSURANCE COMPANY**

**Standard Service Satisfies... Since 1884**

**Fire**  
**Tornado**  
**Rent, Use and Occupancy**  
**Personal Property Insurance**



**Automobile**  
**Public Liability**  
**Burglary and Plate Glass**  
**Fidelity and Surety Bonds**

**The Western Casualty and Surety Company**  
**The Western Fire Insurance Company**

*Statement of Condition as of December 31, 1939*

**ADMITTED ASSETS**

	Western Casualty and Surety Co.	Western Fire Insurance Co.
United States Government Bonds .....	\$ 618,877.89	\$ 145,290.60
State, County and Municipal Bonds .....	1,021,371.30	171,518.10
Other Bonds .....	377,072.66	49,306.75
Corporate Stocks .....		561,260.00
Stock of Subsidiary Fire Co. ....	822,931.45	
CASH .....	802,974.87	174,409.26
Real Estate (Home Office) .....		213,577.87
Accrued Interest .....	23,405.31	3,569.05
Premiums in Course of Collection .....	596,776.62	63,874.78
<b>Total Admitted Assets .....</b>	<b>\$4,263,410.10</b>	<b>\$1,382,806.41</b>

**LIABILITIES**

Reserve for Losses .....	\$1,509,343.52	\$ 47,485.85
Reserve for Unearned Premiums .....	1,291,446.37	475,494.76
Reserve for Commissions .....	135,906.12	
Reserve for Taxes and Expenses .....	96,383.22	28,581.91
Reserve for Contingencies .....	100,000.00	
<b>Total Liabilities .....</b>	<b>\$3,133,079.23</b>	<b>\$ 551,562.52</b>
Capital .....	\$ 750,000.00	\$ 500,000.00
Surplus .....	380,330.87	331,243.89
<b>Surplus as regards Policyholders .....</b>	<b>\$1,130,330.87</b>	<b>\$ 831,243.89</b>
<b>TOTAL .....</b>	<b>\$4,263,410.10</b>	<b>\$1,382,806.41</b>

Note: In the above statements bonds are carried at amortized values. Stocks are carried at December 31, 1939 market values.

Premiums Written Since Organization .....	\$35,059,642.54
Losses Paid Since Organization .....	17,278,034.91



**E. C. GORDON, Secretary-Treasurer**

916 Walnut St.  
 Kansas City, Mo.

**RAY B. DUBOC, President**

Home Office  
 Fort Scott, Kansas

A-1924 Insurance Exchange  
 Chicago, Ill.





## VIEWED FROM ALL ANGLES

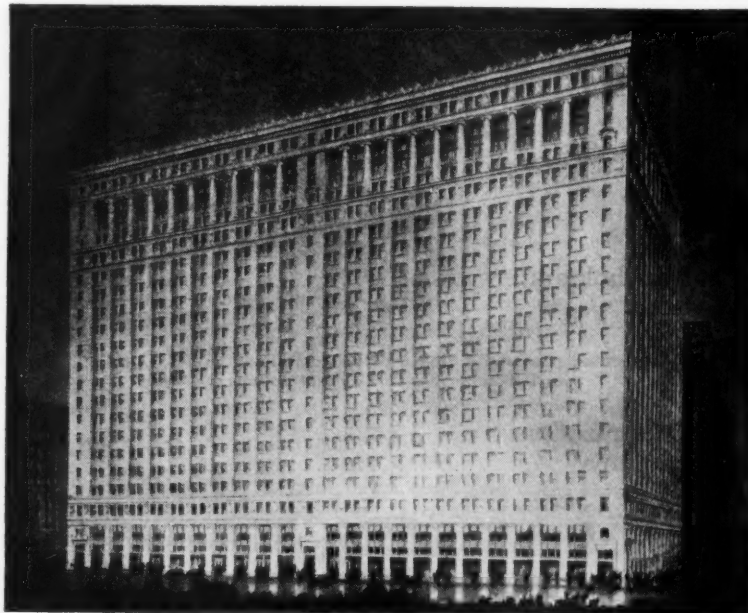
**T**HE address, 175 West Jackson Boulevard, is your logical insurance address in Chicago. View it from any angle; in Chicago and the Middle West, the word insurance is almost synonymous with Insurance Exchange Building. Within walking distance and only a few minutes away are all the railroad terminals, loop hotels, theatres and restaurants.

### *More Insurance Dollars*

More Insurance Dollars are brought into the Insurance Exchange than any other place. You get your share when your office is located here.

### *Time Means Money*

A location in the Insurance Exchange saves time for you and your employees. The convenient location means that producers, to save time, come to your office. Ask any Chicago insurance man to name the insurance address that is most convenient for him in his profession. His answer, without reservation, will be "175 West Jackson Boulevard."



R. C. SWANSON, Manager

This 22-story, outstanding white terra cotta structure is the largest office building in Chicago and the largest insurance office building in the country, with over a million square feet of floor space. It is the center of all insurance activity in Chicago and houses hundreds of insurance organizations. From a business standpoint they couldn't afford to be elsewhere.

### *More Rental Value*

You receive more value for your rental dollar in the Insurance Exchange than in any other building in Chicago.

### *Experienced Management*

The management of the Insurance Exchange is qualified by experience and training to handle your insurance office problems. Our advice and experience gained through many years of satisfactory handling of insurance office space is available to you. Let us show you how the address 175 WEST JACKSON BOULEVARD can actually mean "dollars to you."

**INSURANCE EXCHANGE BUILDING**  
**175 WEST JACKSON BOULEVARD**  
**CHICAGO**



## Company People Assemble on Coast

### Colorado Agents Pursue Contingent Commission Demand

#### May Petition to Come Under Jurisdiction of Pacific Board

DENVER—In one of the liveliest meetings in its history, the directors of the Colorado Association of Insurance Agents moved to get a satisfactory expression from the Rocky Mountain Fire Underwriters Association in regard to certain commission demands made by the agency body following its convention last fall.

President Dan U. Hampton of Colorado Springs announced that the association had never received a satisfactory reply from Frederic Williams, secretary Rocky Mountain Fire Underwriters Association, in this regard and stated that he is investigating the advisability of petitioning the Pacific Board to take jurisdiction over the Colorado situation if the association fails to receive satisfactory assurances from the Rocky Mountain group. He declared that as far as he has been able to determine, the only requirement for such a change is that 40 percent of the agents sign a petition requesting it.

#### Want Immediate Answer

Mr. Hampton has instructed Director Herbert Fairall to write Mr. Williams requesting an immediate answer. Mr. Fairall's letter states that the association cannot effectively proceed with its plans for the year until an answer is received.

The demand over which the agents association is considering secession to the Pacific Board involves a 15 percent contingent commission. The commission demanded would be paid to the agency on the basis of the record of the agency as a whole and not on the record of the individual company in the agency.

At the same time the agency group adopted the resolution demanding the contingent commission, they also asked that proposed changes in forms and rules be submitted to them for approval. The Mountain Field Club acceded to this request and invited a representative of the agency association to sit with its forms and rules committee in an advisory capacity. In regard to the commission request, however, Mr. Williams declared that agency commissions in Colorado have already been increased in recent years and further declared that this is a national rather than a local matter. The Rocky Mountain

(CONTINUED ON PAGE 43)

### Need Special Technique in Handling 'Quake Risk

SAN FRANCISCO — Speaking on the earthquake problem from the viewpoint of a rating engineer at the meeting of the Fire Underwriters Association of the Pacific, Harry F. Badger, secretary Pacific Board, told of the formation of the earthquake department of the board 15 years ago and the research work done at that time by civil engineers and geologists which formed the groundwork for the present rules and rating formulas, "the first and only really comprehensive earthquake insurance rating system ever devised." Today there are two men in charge of this work, H. M. Engle in the San Francisco office and J. E. Shield in Los Angeles.

Mr. Badger pointed out that since establishment of the department three or four important earthquakes in California and Montana have confirmed the principles formulated by the board as to the best types of buildings. He warned, however, "it is just possible that fire underwriters are prone to place too much confidence in the earthquake rates which are based on these principles. This is not to say that the rates do not reflect a fairly definite relationship as between one risk and another, but the level of the rates, being largely hypothetical, is not necessarily a true measure of the hazard. Underwriters, passing on fire risks day after day, knowing that perhaps nine out of ten of the risks accepted are fairly safe propositions, are apt to regard earthquake risks with a somewhat similar mental attitude. So it is essential that consideration be given to other factors not present in the fire risk before accepting any sizable amount of insurance on an earthquake risk." He analyzed some of these features, pointing out that the agent or broker might well call attention of the assured to some simple safeguards against earthquake, such as minor structural reinforcements, lateral bracing of tank towers, removal of overhanging cornices, strengthening of parapets, rearrangement of stock, or protection of a delicate but vital piece of machinery.

#### Insurance Market Limited

He stressed the fact that casualty companies do not overlook opportunities to take precautions against accidents and suggested that this practice might well be extended to the earthquake risk. Property owners are as a rule not "earthquake-minded," he said, although as a matter of fact it is of greater importance to them than accident protection, for they can probably secure adequate casualty insurance, while the earthquake insurance market is uncertain and limited, especially following a serious earthquake. There are, he said "in the two great metropolitan areas of California, actually billions of dollars of insurable values totally uninsured as to earthquakes, but all more or less simultaneously subject to damage by them. These very same values are, or

can be, protected by insurance from losses by fire because they are not all subject at one time to damage from that cause. But it is impossible to define in advance the area which might be subject to earthquake damage in any one seismic disturbance."

He reminded his audience that Dr. Bailey Willis, eminent seismologist, said in 1925, "As regards San Francisco, we may guess from the old records that you probably have about 30 years in which to earn your capital. It may not be as long as that." Dr. Willis referred presumably to the average elapsed time between major earthquakes.

#### California Earthquake Zones

Mr. Badger used four charts in connection with his address, one with a perspective of a street scene with four classes of buildings facing; a guide to underwriting; sequence of important earthquakes in San Francisco and Los Angeles; and a fault map of California. He supplemented these with a review of the earthquake record in California since 1790, and pointed out that five areas which he described are, in a way, independent earthquake divisions. However,

(CONTINUED ON LAST PAGE)

### President



R. L. ELLIS

R. L. Ellis of Los Angeles, vice-president Fireman's Fund group, is presiding over the annual meeting of the Fire Underwriters Association of the Pacific in San Francisco this week. He is a former general agent in San Francisco and before going to Los Angeles was at the head office of the Fireman's Fund.

### F.U.A.P. Gathering Hears Review of Trends, Problems

#### Well Balanced Program Presented—Mills Slated for President

By A. V. BOWYER

SAN FRANCISCO — Salesmanship under present day conditions, unsettled economics and world wide disturbances, were discussed at the annual gathering of the Fire Underwriters Association of the Pacific here. In making up the program President Ray L. Ellis observed the trends and the obstructions in the way of progress and called upon men with messages based upon actual experience in combating these unsatisfactory conditions. There were about 250 in attendance at the opening session.

H. F. Mills, Pacific Coast manager Aetna Fire, is scheduled to be elected president with William G. Rich, assistant coast manager Royal-Liverpool groups, as vice-president.

#### Coverage Is Broadened

The future will develop largely in accordance with the forethought, intelligence and sound planning exerted by the fire insurance fraternity, Mr. Ellis stated. "We are issuing broad contracts which would have seemed to most of the underwriters of only 20 years ago as being revolutionary and suicidal but there is every reason to believe that we will make comparable strides in the years to come. The casualty business is now struggling with the problem of comprehensive liability insurance. The fire business may tomorrow find itself extending most of its contracts to include virtually 'all risks' instead of named perils as exemplified by our own companies in their inland marine activities and by many of our casualty running mates in the indemnity field. Let us not forget that 'He profits most who serves best.'"

#### Federal Activities Alarming

The attitude of some of the federal government bureaus toward insurance provides cause for alarm, Mr. Ellis said. "We constantly hear of threats of government or self insurance plans and the probabilities are that measures of this kind will soon be introduced in the legislatures of the majority of our states."

Still another difficulty cited by Mr. Ellis is the attitude of the U. S. Housing Authority toward the placing of insurance and its leanings toward mutual insurance.

Mr. Ellis made an eloquent plea for

(CONTINUED ON PAGE 42)

## Aircraft Factories Called Good Risks

### Sabotage Peril Under Control, Construction and Processes Improved

SAN FRANCISCO—Hazards in the airplane manufacturing business have been greatly reduced from the early days by better construction, isolation of dangerous parts and materials, James H. Rea, San Francisco, superintendent improved risk department North America, said at the annual meeting of the Fire Underwriters Association of the Pacific here. He described in detail a large representative factory. Extraordinary precautions are being taken in all plants against sabotage, said Mr. Rea, about which underwriters have been particularly concerned for the past few years.

He said that most of the aircraft manufactured today are metal ships, except a few training planes, and the tendency and effort is directed toward heavier, safer and faster craft—aimed at achieving as high a speed as 700 miles an hour.

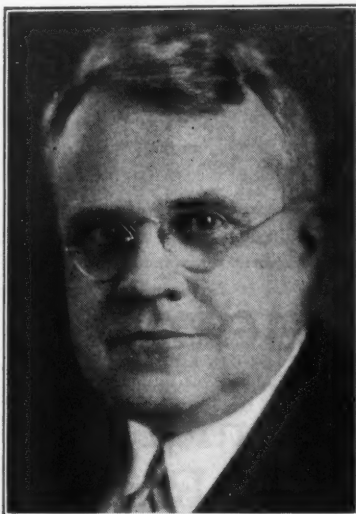
#### Sabotage Risk Curbed

"The fire insurance business," he said, in common with aircraft manufacture, has been subject to many changes in recent years. Fire insurance companies have extended their contracts to cover the hazards of leakage from fire protective equipment, windstorm, cyclone, hail, explosion, aircraft, vehicles, riot and civil commotion and smoke. In addition, coverage can be still further extended by the elimination of the fallen building clause. Strike and riot coverage is applicable only when the loss or damage is caused by fire or explosion, or by water or other substance leaking from a break in the fire protective equipment, or by the collapse or fall of tanks, their component parts or supports. These extended coverages in nearly all cases are still further extended to cover, in addition, the direct physical loss or damage actually done at the location by participants in and at the time of a riot or civil commotion, or by sit-down strikers while occupying the premises, subject to certain limitations. It is this last mentioned coverage that has caused so much uneasiness. Many if not all of our aircraft factories are now engaged in manufacturing military planes for foreign governments. Nearly every underwriter anticipates attempts at sabotage seriously to imperil aircraft factories. The possibility of serious damage arising from any attempts of this nature can now be largely discounted."

Mr. Rea then went into detail as to how the plants are guarded against visitors and sabotage. He said that the industry was one of the greatest on the Pacific Coast and was also of great importance nationally. He anticipates that more factories will be built of modern fire and accident resistive construction. At the present time, he said, all devices, fire doors, etc., used in the factories are approved by the Underwriters Laboratories and old factories are expanding and rebuilding on a better basis.

Mr. Rea drew a vivid picture of the history of the industry, its development and changes as manufacturers with the aid of science made tremendous advances toward safety in the ships and production. The old idea that plane factory risks are undesirable does not hold true today, as practically all of the foremost manufacturers are housed in structures especially designed for the industry. He said that probably the most dangerous part of the major factory he described in detail was the department where painting is done, but this is equipped with sprinklers and various other safeguards. Housekeeping is one of the most important items, and several shifts of janitors are employed to go through the plant at regular intervals clearing up refuse and debris.

## Mark Hartford Fire Service Anniversaries



C. H. SMITH

Three executives in the western department of Hartford Fire, each of whom had a significant service anniversary on the same date, were entertained at a small luncheon party in Chicago the other day given by Vice-president F. C. White, who was in the city for a week. Those honored are C. H. Smith of Smith & Wheeler, western managers, who completed 30 years of service with Hartford; and P. S. Beebe and J. R. Morrissey, assistant managers, who had completed 20 years. Mr. Smith was presented with a bouquet of 30 roses and Mr. Morrissey and Mr. Beebe, 20 each. Others at the luncheon were H. W. Donnan and L. G. Warder, associate western managers; C. F. Thomas, manager Western Underwriters Association, of which Mr. Smith is vice-president, and Harry L. Grider, manager of the Western Factory, of which Mr. Smith is president.

Mr. Smith started with Hartford Fire at the head office in 1910. Mr. Beebe started in Ohio, and Mr. Morrissey in Chicago.

Mr. White is completing 50 years with Hartford Fire March 1.

#### Will Exact Penalties in Pa.

Commissioner Taggart of Pennsylvania has issued a warning that he will exact the penalties of the law upon those companies that do not file their annual statements by March 1. The penalty is \$100 for each day's delay.

## North America Announces Its New Michigan Setup

In line with its announced intention of the decentralization of its production activities in the middlewest, the North America companies announce that on and after Feb. 9, the state of Michigan, excluding the upper Peninsular counties, will be under the supervision of the Detroit service office.

Complete facilities for the handling of all lines, as well as fire prevention and engineering service by trained engineers to assist agents in survey and risk analysis will be made more readily available for agents in that territory.

The North America's Detroit office is located at 1200 Buhl building and Arthur Eliason is manager in charge.

Mr. Eliason, a native of Minnesota, has had many years experience in insurance and brings to the Michigan field a well-rounded experience. He joined the North America in 1916 as a special agent in Minnesota after several years with the Fire Underwriters Inspection Bureau in Minneapolis. He has traveled as state agent in Wisconsin, Missouri and Illinois and has been manager of the North America Detroit office for the past 10 years.

F. W. Keopnick remains in charge of the marine business. He is a graduate of the University of Wisconsin. He joined the North America in 1928. For two years he was in Chicago in charge of the marine service department and went to the Michigan field as special agent in 1930. He was transferred to Milwaukee in 1933 and returned to Detroit in 1939 as state agent for marine.

G. F. Goltermann continues as special agent operating out of Grand Rapids. He entered the business in 1921 with the Continental's western department. He joined the North America at Detroit in 1930 and became state agent in July, 1939.

R. R. Reutepohler entered the general insurance business in 1929 with the Daniel Reutepohler agency at Huntingburg, Ind. He became special agent for Indemnity of North America in 1938 for Indiana and northern Kentucky and was transferred to Detroit in January, 1940 as casualty manager.

J. F. Rogers, state agent for eastern Michigan, continues in his present capacity, for all North America companies in eastern Michigan, which position he has held since 1929. He is a native of Chicago and joined the North America in 1910. He is a past president of the Michigan Fire Underwriters Association.

Engineer Don V. Wood has been transferred from Chicago to Detroit.

## Agents, Companies Study HOLC Matter

### Seek to Formulate Program That Would Be Acceptable to All Interests

NEW YORK—G. C. Morgan, assistant manager Stock Company Association; Ivan Escott, vice-president of the Home and W. J. Reynolds, vice-president American Equitable, members of the association's executive committee, together with W. H. Bennett, general counsel National Association of Insurance Agents, and P. L. Haid, president Insurance Executives Association, were in session at Mr. Haid's office both Tuesday and Wednesday, seeking to formulate a program for presentation to the Home Owners Loan Corporation that would prove acceptable to that body as well as to the insurance carriers and the agency fraternity.

The task involves numerous angles of importance, hence the extreme care with which the subject is being studied. Whatever proposal is finally determined upon must be submitted to the Washington authority before Feb. 15.

P. C. Cothran, vice-president Phoenix of Hartford, who had been serving as general chairman of the joint committee of company officials and agents, was unable to attend the sessions here, having gone to the Pacific Coast in the interest of his company.

#### MUTUAL COMMITTEE MEETS

The committee of mutual company executives that is pondering the matter of an HOLC bid was in session in Chicago Tuesday and Wednesday. Chase Smith, vice-president National Retailers Mutual, is chairman. The other members are: Gage McCotter, Grain Dealers National Mutual; S. F. Coffin, Lumbermen's Mutual of Mansfield; J. J. Beall, Northwestern Mutual, and A. W. Nygaard, Implement Dealers Mutual.

## Shaw and Eblen Now Vice-presidents

William M. Shaw and Roy E. Eblen, formerly secretaries, have been elected vice-presidents, and Percy P. Taylor and W. S. Chandler have been elected assistant secretaries of Phoenix of Hartford.

Charles B. Cook, vice-president and general manager of Royal Typewriter Company, has been elected a new director.

Mr. Shaw, a native of Cincinnati, went with Phoenix in that city in 1889. He served as Indiana state agent from 1907 until he went to the head office as general adjuster in 1929. He was elected secretary in 1933.

Mr. Eblen is also a native of Ohio. He started in the business with his father at Wellston, O., in 1902. He went with Fidelity Phenix as Oklahoma special agent in 1907 and went with Phoenix of Hartford as Missouri state agent in 1914. In 1921 he was elected president of Central States Fire, which is now controlled by Phoenix. He was brought into the head office in 1933 and was elected secretary of Phoenix.

Both Mr. Shaw and Mr. Eblen become vice-presidents of Connecticut Fire as well as Phoenix.

Mr. Taylor has been office manager for Phoenix. He went with Connecticut Fire in 1892.

Mr. Chandler supervises the underwriting in New England, Atlantic and southern states. He went with Phoenix as marine special agent in 1929. He is a native of Mississippi.

C. D. West, vice-president of Eagle Fire of Newark, is on a middlewestern trip this week visiting Chicago, Milwaukee and other points.

## THIS WEEK IN INSURANCE

Annual meeting of the Fire Underwriters Association of the Pacific is held this week in San Francisco. **Page 3**

H. F. Badger tells Fire Underwriters Association of Pacific about earthquake hazards and studies. **Page 3**

Directors of Colorado Association of Insurance Agents decide vigorously to pursue the demands of the association for 15 percent contingent commissions. **Page 3**

National Automobile severs relations with Golden State Automobile Club after California Association of Insurance Agents removes company as a signatory to its declaration of principles. **Page 5**

Aircraft factories described and praised at Fire Underwriters Association of the Pacific meeting. **Page 4**

R. C. Carter retires as secretary-treasurer of Glens Falls after 51 years service and several new officers are elected. **Page 14**

Illinois insurance department takes steps preparatory to issuing rulings on equity rating, retrospective rating, fleet rating, and other matters in the automobile field. **Page 21**

A meeting of the casualty and surety acquisition cost conferences will be held Friday of this week in New York to discuss the Chicago setup. **Page 21**

Program to present to HOLC is considered by agents and company officials at New York conference. **Page 4**

North America announces its new Michigan setup. Lower Michigan to be supervised by Detroit office. **Page 4**

Leon S. Senior, general manager Compensation Insurance Rating Board, New York, dies after brief illness. **Page 23**

Several guest lectures from Hartford insurance companies are announced by Hartford Colleges of Law & Insurance. **Page 21**

Massachusetts Accident is to be reinsured by Union Mutual Life of Portland, Me. **Page 21**

Attack on subversive propaganda and "isms" made by Ray Murphy, assistant general manager Association of Casualty & Surety Executives, at Philadelphia Insurance Society's annual banquet. **Page 23**

Much interest in the introduction of patent insurance through the National Patent Corporation of Chicago. **Page 22**

Extension of retrospective rating plan down to workmen's compensation risks of \$1,000 premium filed with states and bureaus by National Council on Compensation Insurance. **Page 22**

John C. Dornin, veteran Pacific Coast manager of Springfield F. & M., is retiring in the near future. **Page 39**



## Disclose Details of N.R.O.G. Agency

### Drenth Tells Retail Grocers Group About Insurance Setup

At the recent annual meeting in Chicago of the National Retailer Owned Grocers, Inc., a period was devoted to discussion of the operations of the recently organized N.R.O.G. Insurance Agency of Chicago. John Drenth, head of the agency, conducted the discussion, much of which consisted of answering questions from the floor. About 500 were present.

Mr. Drenth declined to make known the names of the insurance companies that constitute the market. He stated that when the agency was formed and the names of the companies were made known, local agents representing those companies took reprisal by giving up their supplies. Mr. Drenth exhibited considerable hostility towards agents and a number of those who spoke from the floor also expressed such animosity. They expressed resentment at what they characterized as pressure that is brought upon them by local agents.

#### Purchase Through Wholesalers

Mr. Drenth said that the retailer does not purchase his insurance direct from the N.R.O.G. Insurance Agency. Rather, he gets his insurance from one of the 98 wholesalers, who serve the members of the organization. These wholesalers "buy" the insurance from the N.R.O.G. Agency. The retailer is not given an insurance policy but merely a certificate.

Mr. Drenth said that by purchasing insurance in this way the retailer saves about 30 percent below manual rates. Some of those in the audience stated that they are able to buy insurance directly from grocery mutuals and other companies at savings of as much as 45 percent. Mr. Drenth declared that very often such insurance is on limited forms and it does not include extended coverage.

The wholesalers, Mr. Drenth declared, are in a position to render special service to the retailers. For instance, inasmuch as the retailer buys his groceries from the wholesaler, the latter knows just what the retailer has on hand. In the event of fire, the wholesaler will go to the scene, seek to arrange a new location for the retailer and

## Chicago Fire Record in Jan. Worst Ever

During January the number of fires in Chicago was the largest of any month since records have been available. The Chicago experience may have been more severe than that of most other places, but January brought a steady flood of losses from all parts of the country. The record is attributed largely to the extreme cold weather that prevailed throughout the country generally, including the south. Some of the companies reported that their losses in January of this year were just about double what they were in the same month of 1939.

#### Tremendous Increase

The number of fires in Chicago in January was 1,185, which was an increase of 49.43 percent from the record in January, 1939. This is only the third month on record in Chicago when the number of fires exceeded 1,000. The other 1,000 months were January and February of 1936.

On Jan. 18, when the temperature reached 14 below zero there were 94 calls.

Memphis was especially hard hit by losses in January. There was a \$300,000 loss suffered by Nickey Bros., wood working organization and there was an \$85,000 loss to a soap factory.

The automobile departments reported that during the siege of cold weather they had a sizable number of losses due to fires in private garages. Many of the owners, whose garages were customarily not heated, tried to heat the garage with stoves.

replace his stock of groceries immediately.

Mr. Drenth indicated that the ultimate objective is to organize an affiliated insurance company for the purpose. He did say that none of the companies that is presently used is a "National Board" company.

Mr. Drenth was asked whether the agency is writing insurance in Illinois and he replied that it is done so freely. He said that the Illinois insurance department made an investigation, satisfied itself that the setup was proper and is giving favorable response to inquiries that are received from the supervising officials of other states.

Walter A. Clark of Rutland, Vt., has completed 50 years in the operation of his own insurance agency and 55 years in the business.

## Michigan Official Meets the Chicago Fraternity

H. M. Carmichael of Chicago, general manager of the Oil Insurance Association, gave a luncheon Monday in his city in honor of



J. G. Emery

Col. J. G. Emery, insurance commissioner of Michigan, and L. G. Smith of Grand Rapids, well known insurance attorney. Mr. Carmichael, who is an old friend of Commissioner Emery, desired the western managers and organization men to meet the Michigan official. After some introductory remarks, Mr. Carmichael introduced Attorney Smith, who in turn presented the commissioner. At the luncheon was Charles D. Carmichael, son of the host, who is the manager of the Carmichael acres near Traverse City. The son is named after a former Michigan commissioner and former Michigan field man, Charles D. Livingston.

Commissioner Emery is a former local agent and real estate man at Grand Rapids. He came into prominence in years gone by as being national commander of the American Legion.

#### Position Is Stated

In his talk he said that there are 711 insurance companies and associations licensed in Michigan. There are approximately 7,500 agents licensed. He stated that a commissioner is considerably more than a policeman. He desires to work out problems as harmoniously as possible. He said that he would stand by insurance companies if they were right, to the end. So far as the insurance commissioner is concerned, he said that the customer is not always right.

E. A. Henne, western manager of America Fore and chairman of the subscribers actuarial committee, made the response. At the luncheon were almost all the western managers and the managing officials of the various insurance associations. Mr. Carmichael is a former field man in Michigan and the Michiganders showed up in force, they being W. P. Robertson, North America; A. F. Powrie, Fire Association; W. N. Achenbach, Aetna Fire; R. E. Vernor, manager fire prevention department Western Actuarial Bureau, and H. K. Dickinson, Fire Association.

Mr. Henne in his talk made brief mention of the fact that Colonel Emery

## National Automobile Seeks Reconciliation

### Decides to Sever Connection with Golden State Automobile Club

LOS ANGELES—According to an official announcement by President John Q. McClure of the National Automobile that company has severed all connections with the Golden State Automobile Club, formed last year by a group of dealers to give service similar to the National Automobile Club and the Automobile Club of Southern California.

The connection with the Golden State Auto Club was the bone of contention between the National Automobile and the California Association of Insurance Agents, and was what led to the removal of the company as a signatory to the association's declaration of principles.

It is understood that the state association will be apprised of the company's action, and an effort be made to reconcile the differences.

It also is understood that the West American now will be the sole carrier for the Golden State Club.

The National Automobile, which wrote the bond required by the state for automobile clubs, will, it is reported, carry the bond until its expiration date.

#### NOT NOTIFIED OF ACTION

OAKLAND, CAL.—Although it is reported from southern California that the National Automobile has severed its

(CONTINUED ON PAGE 12)

came out publicly favoring adequate insurance rates. He said that an insurance commissioner when it comes to public policy on insurance rates often feels forced to insist on lower rates whether the position is logical or not. Mr. Henne said that regardless of the feeling that the fire loss ratio is now permanently on a much lower level, he called attention to the very high loss ratio of January, which is continuing into February. In some cases he said the loss ratio will run almost 100 percent. He asserted that naturally this high loss ratio will not continue month after month, but it does indicate that in the long run a higher average will be reached.

## PACIFIC FIRE UNDERWRITERS ASSOCIATION SPEAKERS



LAURENCE E. FALLS, Newark  
Vice-president American



PAUL F. MCKOWN, San Francisco  
Manager St. Paul F. & M.



HAROLD I. CALLIS, Santa Barbara  
President California Agents



HENRY E. NORTH, San Francisco  
Vice-president Metropolitan Life



## Excess Plan Offers New Type of Competition

A new type of competition is reported to have now been projected by one of the companies that has embarked upon an aggressive course. It consists of writing excess insurance over primary coverage in such a way that the premium for the two policies is less than the premium if the contract were written in the usual way.

An assured who is carrying, for instance, 80 percent of insurance to value is instructed to reduce that cover to say 25 percent. An excess policy is then placed, giving protection above the limits of the primary insurance up to 80 or 100 percent of the value. The excess insurer makes no payment until the primary insurance is exhausted. The excess insurer is said to offer to stand the short rate cancellation penalty for the assured, in order to put the plan into effect. The rate for the excess cover is probably just a little more than a direct writing company would have to pay for it on its own account.

Apparently a quotation that is favorable to the assured is made even though he may presently be getting the co-insurance credit. As an example, an assured may be carrying \$1,000,000 insurance at the 80 percent co-insurance rate, say 50 cents. His premium is thus \$5,000. If he cuts that primary insurance down to \$250,000, his rate for that coverage will be \$1.25 or \$3,750. Then he might purchase \$750,000 excess of \$250,000 at a premium of say \$500, making his total outlay \$4,250, a saving of \$750.

Similar practices have existed in the casualty business for some time. The assured instead of buying high limits from a direct writing company will purchase nominal limits in that way and then buy excess limits direct so that the total cost is less than if the entire cover were purchased from one company.

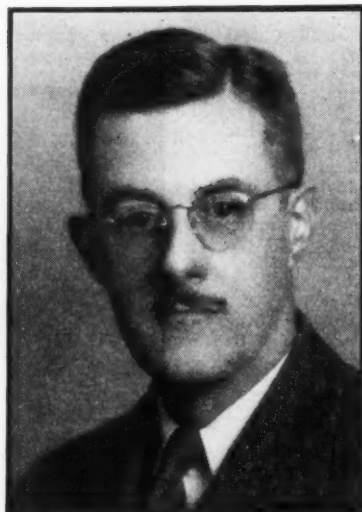
## N.A.U.A. Makes Deal for Repair Work in N. Y. Area

NEW YORK—After several months negotiations between J. Ross Moore, manager National Automobile Underwriters Association, and Messrs. Bragg and Ebbert, representing respectively the Automobile Merchants Association of New York and the Brooklyn and Long Island Motor Vehicle Association, an agreement has been effected under which the dealers' bodies will furnish a list of repair stations that can be relied upon to perform all necessary automobile repair work in first class shape and at reasonable rates. In return the insurance companies, it is recommended, will direct damaged cars on which they have coverage to such stations for conditioning.

If, as anticipated, the new program works satisfactorily in the metropolitan area, the intention is to extend a similar arrangement to other sections of the country eventually. Some years ago the New York Adjusters Association had an understanding with approved repair agencies in this city, but abandoned it.

The plan in question had the sanction of the directors of the National Automobile Underwriters Association, who regard it as a forward move.

## Made Vice-president Further Comment on Reporting Forms



W. G. RICH

W. G. Rich, assistant Pacific Coast manager of the Royal-Liverpool group, elected vice-president of the Fire Underwriters Association of the Pacific at the annual meeting in San Francisco, entered the business in London at the age of 16, running errands for a fire insurance office. Earlier Mr. Rich had attended private schools in England where he was born in 1893.

After four years, serving in various capacities with London offices, he left for Canada, becoming a junior clerk with the Liverpool & London & Globe at Montreal in 1913. Later he served that office as loss superintendent, and special agent in eastern and northern Ontario and was appointed assistant manager of the Toronto branch office. In 1925 Mr. Rich was transferred to the Pacific Coast, where he became assistant manager of the Pacific department of the Liverpool & London & Globe, and upon merger of the Royal with the L. & L. & G. in 1933, he was made assistant Pacific Coast manager of the Royal-Liverpool groups in that territory. Mr. Rich is president of the Oregon conference committee and has served on numerous important committees of the Pacific Board.

## Bissell Heads Committee for Commissioners' Meeting

Richard M. Bissell, president of Hartford Fire and chairman of Hartford Accident, has been named as honorary chairman of the committee of Hartford insurance people that will serve as hosts to the June convention of the National Association of Insurance Commissioners.

The working committee consists of R. D. Morse, Hartford Fire; R. E. Hall, Aetna Life; Allan Brosmith, Travelers; John A. North, Phoenix of Hartford; C. L. Miller, National Fire; C. L. Allen, Aetna Fire; George F. B. Smith, Connecticut Mutual Life; G. E. Risley, Connecticut General; B. L. Holland, Phoenix Mutual Life; M. L. Baxter, Hartford Steam Boiler; S. D. Henry,

H. W. Nason, San Francisco, assistant secretary American Fore group, sends some interesting comments on reporting forms. A talk by Mr. Nason on this subject before the Insurance Forum at San Francisco was reported in THE NATIONAL UNDERWRITER of Jan. 18 and comments of other underwriters appeared Jan. 25.

Mr. Nason points out that the rule basing the deposit premium for provisional form No. 1 on the Pacific Coast on 50 percent of the limit of liability is used only where there is no previous experience or where a line is being placed under the provisional form for the first time. Otherwise, the provisional amount and deposit premium are based upon the actual average produced by the preceding 12 months experience, and this governs in the large majority of risks.

## Criticizes "Honesty" Term

On the subject of the "honesty clause" or "value reporting clause," which imposes a penalty on the assured if he reports less than his actual values, Mr. Nason says:

"You use the term 'honesty clause.' That phrase was indeed a very badly chosen one in our early explanation of the penalty or full reporting clause of the provisional form. It has become a habit with me to correct the use of it either in conversation or in letters, so I trust you will not take this as a criticism. In ten years I have only had to impose the 'honesty' feature of the clause once but I do not know how many times we have been asked to waive, in loss adjustments, the penalty in the full reporting clause or the accuracy of the report on account of unintentional errors, omissions, lack of understanding, demise of bookkeeper, and all of the other possibilities by reason of the human equation. In some sections of our territory the term 'honesty clause' has become so embedded in the minds of agents and assured as to involve a question of honesty and integrity rather than a proper declaration of insurance. Like a lot of catch phrases, the term has crept into such general use that only by persistent pounding away can we expect to eliminate it."

Mr. Nason also emphasizes that a new form would not be necessary to handle a risk with only one location. The present forms A and B in the east and middle west could be used for this purpose if the rules were changed. The same forms are used on the Pacific Coast for writing single and multiple locations.

Security of New Haven; G. E. Jones, Northeastern; C. W. Chapple, London & Lancashire; C. J. Bauerle, Caledonian; and K. M. Vreeland, Scottish Union.

## General Agents Convention Set for Dallas April 17-19

Official announcement is made that the annual meeting of the American Association of Insurance General Agents will be held at the Baker Hotel, Dallas, April 17-19.

## Program for Ohio Farmers Rally

The program is announced for the meeting of the Ohio Farmers Agents Association at the home of Ohio Farmers in Leroy Feb. 12-14. This is always a most distinctive event.

There will be a casualty insurance conference the morning of Feb. 12 at the Westfield Country Club around the subject "Fortify Your Business in '40." This period will be in charge of J. W. McKeown of Ohio Farmers Indemnity.

Tuesday afternoon, Feb. 13, the association will hold forth in the Westfield auditorium. F. E. Kirkpatrick of Columbus, secretary of the association, will report. C. D. McVay, executive vice-president of the company, will give the address of welcome. Francis Whitaker, of Wooster, will give the response as president of the agents association. Superintendent Lloyd of Ohio will give an address. J. C. Hiestand will give a review of 1939 underwriting results.

A. Bruce Bielaski, head of the arson division of the National Board, is scheduled to give an address. He has been seriously ill with pneumonia but it is expected that he will be able to keep that engagement. Dr. H. E. Simmons, president of the University of Akron, will give a talk.

That evening will be held the annual banquet with John A. Weber, director of the company, as toastmaster. The address will be by Dr. John L. Davis of New York. Then will be held the annual dance.

The next morning will be the concluding business session with Webb I. Vorys, director of the company, awarding the ivy trophy. There will be reports of committees and election of officers. The group will be entertained at luncheon that day.

## Safety Campaign Started by Agents

SYRACUSE, N. Y.—The Syracuse Underwriters Exchange has inaugurated at its own expense a highway safety campaign for this city. The city officials and police department have given their aid. There are advertisements placed in the daily papers asking motorists to drive carefully and observe the rules of driving courtesy. The local agents arranged for a poster campaign printed in large letters. One was displayed on a wall at a prominent corner and was unveiled at 3 o'clock in the afternoon. Large posters of a similar nature are placed on 32 billboards throughout the city. Removal of the covering over the sign at North Salina and Catawba streets marked the opening of the safe driving campaign. Mayor Marvin, Police Chief Rapp and others interested were present. It was in charge of Councilman C. A. Young, chairman of the traffic safety committee of the Syracuse Insurance Exchange. He gave a talk over WFBL in the afternoon. Agent L. F. Lighton, Jr., was interviewed over WSYR. The local agency committee in charge of the safety campaign consists of W. H. A. Munns, A. C. Diesseroth, W. E. Day, Collin Armstrong and L. F. Lighton, Jr.

## H. C. Hill Vice-president

In addition to reelecting all former officers of the National Fire & Marine of Elizabeth, N. J., directors elected H. C. Hill as resident vice-president in charge of Pennsylvania (outside Philadelphia and Philadelphia suburban), eastern Ohio and western New York. He has established headquarters at Williamsport, Pa.

Miss Edith Sissle, assistant treasurer in charge of the accounting department Bartholomay-Darling-Clarkson Company, Chicago, who directs all women employees, was honored on her 25th anniversary of service, being presented by the staff a diamond studded watch.

## FIGURES FROM DEC. 31, 1939 STATEMENTS

	Assets	Changes in Assets	Reins. Res.	Changes in Reins. Res.	Capital or Stat. Dept.	Surplus	Changes in Surplus	Net Prems.	Losses Paid	Loss Ratio
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Aetna Fire	55,374,291	+2,773,449	13,707,889	+82,923	7,500,000	18,089,891	+1,569,117	22,747,269	9,649,538	42.4
Atlantic Fire, N. C.	573,399	+18,115			250,000	218,199	+21,416			
Charter Oak Fire	1,320,892	+34,138			500,000	813,713	+31,312			
Eagle Star	6,246,583	+318,470	1,864,371	+154,510	400,000	2,950,937	+88,696	2,390,854	1,080,400	45.1
Farmers Fire, Pa.	3,200,093	+21,350	724,571	-9,979		2,335,358	+57,681	601,086	299,991	49.9
First National, Wash.	1,098,095	+656,025	146,325	+146,325	500,000 <sup>1</sup>	432,184 <sup>1</sup>	+240,279	163,600	4,243	3.0
General, Wash.	15,972,448	+1,149,162	7,379,845	+562,627	1,000,000	5,291,180	+489,705	7,543,663	2,801,301	37.0
Piedmont Fire	2,794,905	+228,490	979,899	+218,830	1,000,000	629,261	-37,610	1,360,903	616,064	45.2
Republic, Tex.	8,680,605	+545,655	2,738,240	+219,618	2,000,000	3,184,551	+90,639	2,420,571	777,035	34.3
State Farm Fire, Ill.	770,664	+102,512	274,569	+30,610	250,000	175,040	+556	401,665	122,657	30.5
Travelers Fire	27,357,700	+1,077,069	14,016,220	+489,837	2,000,000	6,233,176	+274,234	13,258,974	4,437,421	35.4
World F. & M.	6,403,353	+234,392	1,413,986	+108,974	1,000,000	3,727,723	+176,466	1,803,002	771,396	42.7

<sup>1</sup>Capital increased during 1939 by \$250,000 with additional \$250,000 paid in to surplus.

# PROSPECTS -- who they are



and how to **SELL** them



■ The personalized proposal shown above has helped Royal-Liverpool producers to sell a modern form of coverage in profitable volume to a diversified list of prospects: public garage proprietors, automobile dealers with service stations, auto "laundries," department stores, theatres, hotels, and other concerns which provide parking or garage facilities for customers. • For a specimen of this proposal folder, together with information regarding some of our other sales aids, address Publicity Department.

## ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO., LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA





## Starting Blocks

The sprint events in a track meet have been speeded up since starting blocks were approved. In insurance language, starting blocks mean a strong, dependable, service-minded company — by whose aid you are off to a flying start on your career as an Agent.



## PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

HEAD OFFICE: 1600 Arch St., Philadelphia, Pa.

NEW YORK OFFICE: Central Fire Agency, Inc.  
92 William Street, N. Y. C.

CHICAGO OFFICE: 209 West Jackson Boulevard

SAN FRANCISCO { Fire—425 Montgomery Street

OFFICES: { Marine—222 Sansome Street



## Rhode Island and Merchants Merger Now Consummated

PROVIDENCE, R. I.—The merger of Merchants of Providence with the Rhode Island as of Dec. 31, 1939, was consummated Monday by filing with the secretary of state certified copies of resolutions adopted by the holders of more than two-thirds of the stock of each company. Subject to statutory provisions, the policyholders surplus, including special contingency reserves, is \$2,908,824. Stockholders of Merchants ratified the proposal at an adjourned meeting Monday. Stockholders of the Rhode Island approved the merger last Wednesday.

### Message to Stockholders

Based on the actual market value of securities owned, the net surplus on Oct. 31, 1939, of Merchants was \$547,525 and of the Rhode Island \$502,805. Each corporation had a capital of \$1,000,000, represented by 200,000 shares of stock with a par value of \$5, according to a message to stockholders recently:

"It is the practice of many individuals and the rule in the case of the majority of banks and mortgage companies to limit or entirely decline to place business with insurance companies having less than \$1,000,000 capital and \$1,000,000 net surplus. From the preceding paragraph it can be readily seen that we are not now meeting these requirements.

"The results of the reinsurance of the business of the Merchants Insurance Company of Providence as of Dec. 1, 1939, and subsequently a portion of the business of the Rhode Island Insurance Company with the Globe & Rutgers Fire Insurance Company in preparation for the development of business believed to be more desirable to your corporations, has improved both financial statements through the reduction of liability by release of unearned premium reserve, although not to an extent sufficient to meet the standards of larger accounts, banks, mortgage companies and others. Final figures as of Dec. 31, 1939, are not yet available.

### Difference in Values

"Whereas, on Oct. 31, 1939, the liquidating value of Merchants Insurance Company of Providence was 37 cents per share less than the liquidating value of the shares of the Rhode Island Insurance Company, the relative positions in this respect of the two corporations as a result of the recent reinsurance arrangements . . . on estimate, now become more nearly equal. In the case of an actual completed liquidation of both corporations, it is difficult to state which stock would realize the greater value per share.

"Your directors, after carefully reviewing numerous suggestions and considering the liquidating value of both corporations, recommend the merger of the Merchants Insurance Company of Providence with the Rhode Island Insurance Company on the basis of equality, share for share, between the stock of the two corporations, and a reduction in the par value of the capital stock of the merged corporation from \$5 to \$2.50 per share. Such action it is felt offers the most favorable prospect for successful future operation with the resultant benefit to the present stockholders of both corporations.

"Your directors further recommend the merger as essential in order to avoid

## Fire Association Group Exhibits

Fire Association shows assets \$23,463,843, increase \$1,502,123; and surplus to policyholders of \$12,214,569, a gain of \$726,252. Premium reserve stood at \$9,527,819, against \$8,654,846 at the end of 1938, and cash amounted to \$2,038,144, compared with \$1,021,623. Bonds and stocks at the close of 1939 totaled \$18,014,510, against \$17,809,898 at the end of 1938.

Lumbermen's showed assets \$5,233,965, against \$4,969,546 reported at the end of 1938, while surplus to policyholders of \$3,436,303 compared with \$3,308,084. Premium reserve stood at \$1,519,276, against \$1,379,956. Cash was \$523,930, against \$312,012, while bonds and stocks of \$4,231,098 compared with \$4,194,071.

Reliance reported assets at \$4,159,485, against \$3,993,486 and surplus to policyholders \$2,928,266, against \$2,871,070. Premium reserve stood at \$981,130 at the end of 1939, against \$884,075. Cash was \$480,491, against \$323,157, and bonds and stocks amounting to \$3,237,821 compared with \$3,249,953.

Philadelphia National showed total assets of \$2,997,685, against \$2,888,598 and surplus to policyholders of \$2,304,124 compared with \$2,231,494. Premium reserve was \$575,239 against \$516,343. Cash stood at \$406,371, against \$173,425, while stocks and bonds of \$2,417,073 compared with \$2,551,938.

the serious losses which would be suffered by the stockholders of both corporations if operated as separate units with the restriction on profitable business which results from their respective limited surplus.

"The merged corporation, Rhode Island Insurance Company, after the reduction of its capital stock from \$5 par to \$2.50 per share would, as of Oct. 31, 1939, have a capital of \$1,000,000 and a net surplus of \$2,050,330 meeting the standard requirements of the acceptance of policies.

"The time of accomplishing the merger is one of the most important details in connection therewith. Recognized insurance manuals and charts uniformly publish the Dec. 31 balance sheet of insurance companies, and a number of banks, mortgage companies and others placing large amounts of insurance refuse to consider a financial statement of any other period.

"It is therefore essential that the merger be effected as of Dec. 31, 1939.

"This must be accomplished before the final closing of the books of your corporations for the year 1939 and in time for inclusion in the various insurance manuals and charts."

### United States Fire's Figures

The statement of the United States Fire of the Crum & Forster group shows admitted assets \$34,544,933, capital \$2,000,000, net surplus \$20,008,202, reserves of \$10,217,865 for unearned premiums, \$1,507,397 for losses in process of adjustment, \$761,468 for miscellaneous and \$50,000 as mortgage reserve. It shows an increase of \$1,435,552 in assets and \$1,034,775 in net surplus.

### John E. Dallam Assistant Secretary

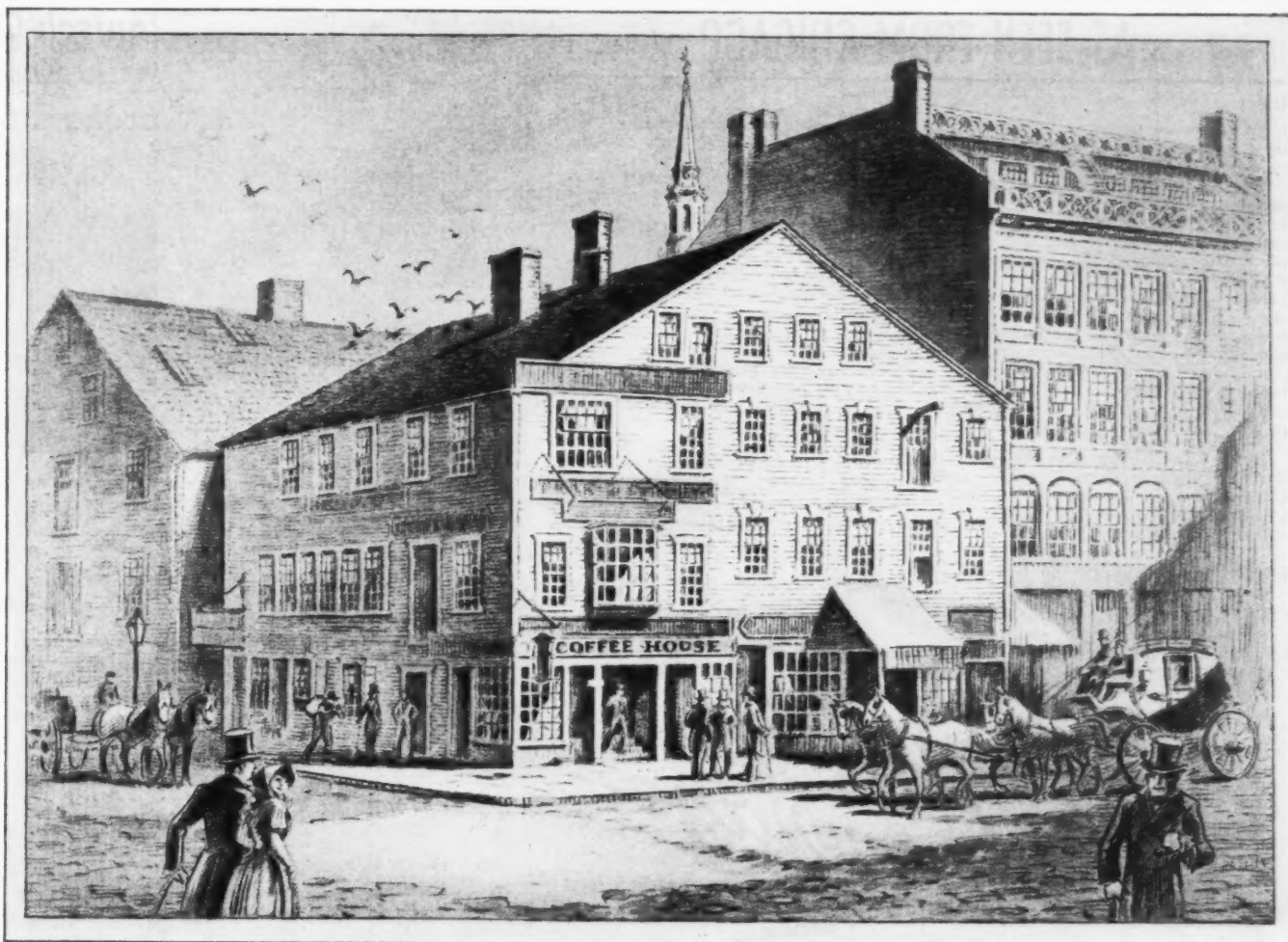
John E. Dallam has been elected assistant secretary of Fidelity & Guaranty Fire. He has been with the company since 1931. He continues in charge of the automobile department.

## Mutual Companies' 1939 Figures

	Adm. Assets \$	Unearned Premiums \$	Net Surplus \$	Cash Income \$	Net Losses Paid \$	Total Cash Income \$	Total Disb. \$
Hardw. Deal. Mut. Fire,							
Wis. ....	8,208,354	3,882,790	3,393,484	4,545,422	1,459,176	4,763,354	4,375,290
Indiana Lumber. Mut.	3,757,512	1,555,002	1,938,188	2,088,940	860,203	2,266,550	2,063,411
Iowa Mut. Tornado....	2,336,695	364,967	1,956,108	791,418	182,113	852,209	461,676
Mer. & Mfrs. Mut. O.	433,335	164,656	246,103	197,371	79,466	211,138	181,706
Millers Mut. Fire, Ill.	3,354,492	1,254,380	1,750,229	1,682,149	574,631	1,857,288	1,678,737
Millers Mut. Fire, Pa.	1,846,823	401,453	1,211,070	604,392	188,291	673,928	607,928
Mill Owners Mut., Ia.	2,842,470	1,619,804	1,012,700	2,001,373	645,590	2,144,086	2,036,352
Ohio Under. Mut. ....	507,909	198,305	244,586	263,327	99,929	279,214	249,377



"The Old  
Coffee House"



THE PROVIDENCE WASHINGTON INSURANCE COMPANY HAD ITS INCEPTION HERE ON JANUARY 5, 1799

**A**T the close of the eighteenth century, the port of Providence was making a fair bid for the major share of the world commerce of the colonies. Larger and faster ships shortened the time required for the long voyages. Vessels from all nations loaded and discharged their cargoes at the busy wharves, but the locally owned ships were predominant.

The venturesome nature of the business placed such a hazard upon the investment in ships and cargoes that, to safeguard the owners against losses from the ever-present dangers of war, piracy and shipwreck, a need for some form of dependable insurance was recognized. Many risks had been written by private underwriters who gathered in the Old Coffee House on Market Square between the years of 1790 and 1800; John Mason, being one of the most prominent, opened his office in 1794.

The inadequacy of private insurance, however, was soon apparent and on January 5, 1799, the Providence Insurance Company, with a capital of \$150,000, was organized with John Mason, President.

The offices of the Company were located in the Old Coffee House, long since demolished. This was the logical place to center the business, for it was at this inn, and others like it,

that the trade news of the day was discussed. Merchants met there to make their transactions, and it was mainly through these meetings that world news was spread.

One of the first policies issued was for account of

*"Brown & Ives for Christopher Bentley \$1,400 on his adventure on the ship Ann & Hope from Providence to and from Canton (China) and back to Providence, specie out and goods back."*

January 16, 1799

Written at 22½%

The Washington Insurance Company had its first meeting on January 10, 1800, elected Richard Jackson, Jr., President. The company's name was a measure of tribute to the memory of George Washington.

From these two old New England Insurance Companies, the Providence Washington takes its corporate name.

In 1803 the Washington Insurance Company appointed agents in New London, Conn., thus inaugurating the agency system so widely established today. The nationwide fair and friendly treatment accorded Providence Washington agents by the Company confirms its position as a true friend of agents.

*These Companies write the following classes of Insurance* FIRE—TORNADO—OCEAN and INLAND MARINE and their allied lines AUTOMOBILE—FIRE, THEFT and COLLISION

## Providence Washington Insurance Company

OF PROVIDENCE, RHODE ISLAND

Incorporated 1799 • Capital \$3,000,000.00

## Anchor Insurance Company

Incorporated 1928 • PROVIDENCE, RHODE ISLAND • Capital \$1,000,000.00



## AS SEEN FROM CHICAGO

### KARL KING STARTS 36TH YEAR

When Karl D. King returned to his desk in the Fred S. James & Co. offices in Chicago after a vacation in Mexico, he started his 36th year with the agency. Mr. King joined the James organization in 1905 as manager of the newly formed casualty department. He had entered the casualty business when that business was still in its infancy seven years before as a claim adjuster while attending Northwestern University. Mr. King was made a partner in the firm in 1922, and while he has continued to maintain close contact with the casualty business has also assumed other executive duties.

### CLARK ON MEXICAN TRIP

J. M. Clark of Chicago, western executive special agent of the New York Underwriters, is leaving this week for a vacation to be spent in Mexico. He will be accompanied by Mrs. Clark.

### LEVENS & CO. IN NEW QUARTERS

Wilson S. Levens & Co., prominent Chicago independent adjusting firm, has moved to new offices in room 1004 Insurance Exchange building, Chicago.

The new offices are more suitably designed to transact the automobile, casualty and marine adjustments in which the firm specializes. Mr. Levens has spent his entire business career in the adjusting business, having established his own company in 1923.

### LABORATORIES ON THE AIR

A series of radio broadcasts entitled "On the Safe Side" is now being given by the Underwriters Laboratories. The first was delivered over station WCFL in Chicago last Saturday evening. It consisted of an interview between the announcer and Curtis Welborn, secretary; John Salling, and Ben Caldwell of the laboratories staff.

### CRAVEN GENERAL ADJUSTER

The western department of the Aetna Fire group announces the appointment of E. B. Craven as general adjuster. He began his insurance career with the Rain & Hail Insurance Bureau following his graduation from the law school of the University of Colorado. He became special agent for the Aetna Fire in the mountain field, after which he was transferred to the claim department of the

Century Indemnity in Boston.

He now leaves the position to take up loss work with the Aetna Fire in Chicago, succeeding Loss Superintendent John A. Shea, who has been retired after serving the company for 30 years.

### ERIKSEN HEADS GROUP

Peter Eriksen, assistant manager Underwriters' Service, was elected president of the Insurance Club of Chicago. Other officers elected were: First vice-president, W. H. Siegmund, Connecticut Mutual Life; second vice-president, Carlisle Durfee, New Century Casualty; third vice-president, H. F. Hunter, Chicago Board; treasurer, Edwin Connelly, Chicago Board; secretary, R. C. Lutz, Springfield F. & M., and librarian, Redmond Peters, Hartford Steam Boiler.

Directors elected for one year are: R. E. Baker, Hartford Accident, and Mrs. Phyllis Finley Boynton, E. H. Walters & Co.; for two years, Gerald Urbanus, Hanover Fire, and R. J. Eastburn, Continental Illinois National Bank; for three years, W. F. Kuffel, Phoenix of Hartford, and R. L. Moore, W. A. Alexander & Co.

### R. E. DAVIS IN FIELD WORK

Robert E. Davis has been appointed special agent in the Chicago and suburban departments of Critchell, Miller, Whitney & Barbour. He has been in the business about five years.

### CHANDLER BACK AT WORK

Oscar A. Chandler, agency superintendent at the western department of the Great American, returned to his desk Monday morning after a sojourn at Clermont, Fla., where he owns a farm. He made the trip by automobile.

### ATTEND HEAD OFFICE RALLY

Accompanying S. M. Buck, vice-president and western manager of the Great American, to the home office last week to attend the eastern field roundup, were Agency Superintendents G. W. Funk and Eugene McAdow; C. O. Goodwin, head of the automobile department, and N. E. Dyer, superintendent of the inland marine department.

### FOUR NEW CLASS 1 AGENTS

The Chicago Board has elected four new class 1 members, they being Charles W. Ade, operating as Charles W. Ade & Co., Monarch Fire; H. C. Bower, H. C. Bower & Co., American Fire of Texas; Marc Winston, Marc Winston & Co., Halifax Fire, and H. H. Ririe, American Insurance Agency, British & Foreign Marine.

Mr. Winston will open in 1716 Insurance Exchange Feb. 17. Mr. Winston started as a broker in Chicago 21 years ago and for the past six years has been associated with L. A. Rose & Co. He is a large personal producer and will write general lines.

### BLUE GOOSE DANCE SUCCESS

About 200 turned out for the annual dinner dance of the Illinois Blue Goose in Chicago. It was a most successful evening.

Several of the offices had tables of their own with several couples from the same organization on hand. James E. Guy, America Fore, most loyal gander, kept the activities at a high pitch.

### AGENCY FORCE HEARS LONG

Lewis M. Long, chief examiner in Chicago for the division of motor carriers, Illinois department of public works, will address the agency force of Stewart, Keator, Kessberger & Lederer, Chicago, Feb. 8 on the Illinois truck regulatory act. He will address a Fred S. James & Co. meeting Feb. 19.

### 26 CLUB MEETS FEB. 29

The 26 Club of Chicago will hold its regular monthly meeting Feb. 29. There will be two speakers. John Turnbull, field supervisor Illinois Bankers Life, Monmouth, will discuss "How Social Security Affects Life Insurance," and W. Merrill Chittenden, state supervisor

## Janisch Quits Post with Associated Brokers & Agents

BOSTON—The resignation of Harold P. Janisch as executive manager of Associated Brokers & Agents, Inc., formerly the Service Men's Protective Association, has been accepted.



H. P. Janisch

Mr. Janisch has been in the service of the association nearly two years. He was at one time general manager of the American Mutual Alliance, later serving as vice-president of the Shawmut National Bank of Boston and as vice-president of the Lumbermen's Mutual Casualty of Chicago.

He has made many addresses of a highly provocative character in various parts of the country. He was on the program at the annual meeting of the National Association of Insurance Agents in Boston last fall.

Hoosier Casualty, Indianapolis, will talk on "How to Increase Accident and Health Production."

Thomas Howard, head of the Ideal Insurance Agency, Chicago, will be chairman.

### WOMEN TO HEAR THOMAS

C. F. Thomas, secretary Western Underwriters Association, will address the Insurance Distaff Executives Association on Feb. 15 at 6 p. m. Following dinner in the Exchange building tea room, members will gather in Room 1029 to hear Mr. Thomas discuss activities of the W. U. A.

### RYGEL SOJOURNS IN FLORIDA

John Rygel of Chicago, secretary of Hanover Fire in its western department, has gone on a sojourn to Miami, Fla., with Mrs. Rygel. Nearby at his Miami house are T. A. Pettigrew of Chicago, manager of the Underwriters Adjusting, and Mrs. Pettigrew.

K. J. Hoag, special agent Fireman's Fund group at Columbus, O., spent a few days in Chicago this week conferring with western department officials.

R. K. Johnson, state agent of Globe & Rutgers, Chicago, is vacationing at Miami Beach, Fla.

Paul W. Oliver, manager marine department Dubuque Fire & Marine, Chicago, is back at his desk following a week and a half of absence due to illness.

### Westbrook Indiana Actuary

Commissioner Newbauer of Indiana has appointed Everett Westbrook actuary of the Indiana department, succeeding Lloyd Thomson, who recently resigned to go with the State Life of Indiana. Mr. Westbrook has been an examiner for the Nebraska department and has been in Indianapolis for over a month participating in the examination of the Reserve Loan Life. Mr. Westbrook will assume his new duties as soon as the Reserve Loan Life examination is completed, probably about the middle of next week.

H. L. Hubbell has been named manager of the real estate and insurance department of the Westinghouse Electric & Manufacturing Company, succeeding the late F. F. Rohrer. He was formerly assistant manager.



SPEAKING OF

Pity this poor chap seeking protection from the wintry blasts without adequate coverage. However, the property owner who carries only partial protection is no better off. Fire Insurance on property and contents is necessary of course, but a supplemental contract, rent insurance, burglary, public liability and other forms are essential to complete the coverage. Are you leaving your assured "out in the cold"? The Phoenix-London Group Visible Business Record has been prepared to correct this condition—would

you like a copy? There is also a decided advantage in representing a multiple line Group, writing all forms of Fire, Casualty and Inland Marine Insurance, providing nation-wide claims, engineering and underwriting service. The Phoenix-London Group offers unexcelled facilities for handling your Fire business, your Casualty business, or both, through a single organization.



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## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### BROKERS PRIZES AWARDED

Winners of the first, second and third prizes in the brokers' course of the Insurance Society of New York, completed Jan. 31, were Miss E. R. Fanelle, Brooklyn; H. H. Baker, New York City, and Mrs. Karl Schmocker, Yonkers. The prizes, \$25, \$15 and \$10 were donated by J. A. Forrestel, vice-president of the Home.

### NEW YORK STANDARD POLICY

Appreciating the desirability of uniformity is so far as might be possible, and the confusion that undoubtedly would result through the substitution of the present standard fire policy for a revised form, the National Association of Insurance Commissioners at its gathering at Biloxi, Miss., decided to postpone until the meeting at Hartford, June 23-27, reconsideration of the resolution previously adopted by a narrow margin, approving the suggested new type of policy.

In the light of this it is regarded as improbable that the New York legislature will enact at its present session the

companion bills now before the respective senate and assembly insurance committees, making obligatory, in so far as this state is concerned, use of the revised contract on and after Jan. 1, 1941.

Company men are in stout opposition to any material change in the standard policy, which has been in use in New York and in many other states for a number of years. They point out, as one reason for their attitude, the considerable number of large properties that have plants in various centers and the necessity for having these written under concurrent contracts. The policy proposed for New York permits assuming liability for certain hazards expressly excluded by the laws of several other states, a condition that would hamper the operations of the carriers and many of their clients.

### VINCENT ASSISTANT MANAGER

F. E. Vincent, newly appointed assistant manager of the American Foreign Insurance Association, has been connected with the organization 20 years, serving the major part of the time as

its manager in China. He was recalled to the head office in New York City in March and given charge of the marine department of the association.

### SMITH NAMED FAIR DIRECTOR

Harold V. Smith, president of Home of New York, has been elected a director of the New York World's Fair of 1940. Mr. Smith has been chairman of the fair insurance advisory committee for the past four years.

### SPRINKLER LEAKAGE CLAIMS

The severe cold weather that swept over the entire country not only caused a great resurgence of fire losses but sprinkler leakage claims began coming in in considerable numbers. The January loss ratio ran up to a high point. In fact, January was the severest month that many companies have had in years.

### STATE EXAMINERS FEAST

The New York state insurance department examiners association held its first annual dinner-dance Monday evening. Some 300 employees of the insurance department, company officials, agents and brokers attended. W. C. Gould is president and W. T. Gray chairman of the entertainment committee. Superintendent L. H. Pink spoke briefly, paying tribute to the worth of the examiners of the department, and stating that a spirit of helpful cooperation exists in the insurance department in greater degree than in any other division of the state government.

### National Automobile Seeks Reconciliation with Agents

(CONTINUED FROM PAGE 5)

connections with the Golden State Automobile Club, officials of the California Association of Insurance Agents state they have received no notification of such action at headquarters here and that their action as regards removal of the National Automobile from the list of signatory companies remains unchanged.

The original action against the National Automobile by the directors was affirmed by the membership.

The situation first came to the attention of the association during the Hollywood convention in 1937, when it was reported that the Golden State Automobile Club was being organized by automobile dealers. At that time a resolution was adopted to the effect that any company offering such a connection to the club would not enjoy the patronage of the members of the California association.

### Inquiry Is Made

Last fall organization and licensing of the Golden State was completed and at the same time it was announced that the National Automobile and the West American would handle the insurance business originated by the club. An inquiry was made by the association, resulting in presentation of a report by Elmer White, then president, at the directors meeting prior to the Oakland convention last November.

### Great American Group Companies Make Report

NEW YORK—Great American, in its new statement, shows a gain in assets of \$1,321,801 and in surplus of \$842,673. Assets are now \$49,963,642; premium reserve \$13,146,880; there is a new reserve for dividends amounting to \$733,880; capital is \$8,150,000, and net surplus \$25,681,304.

American Alliance assets are \$8,834,181; premium reserve \$909,763; capital \$3,000,000, net surplus \$3,513,925.

American National assets are \$1,150,803, capital \$500,000, net surplus \$645,303.

County Fire assets are \$3,411,956, pre-

mium reserve \$516,544; capital \$1,000,000, net surplus \$801,247.

Detroit F. & M. assets are \$4,009,021; premium reserve \$827,848 capital \$1,000,000, net surplus \$2,027,945.

Massachusetts F. & M. assets are \$2,705,242, premium reserve \$446,158, capital \$1,000,000, net surplus \$1,170,231.

North Carolina Home assets are \$1,254,436, capital \$500,000, net surplus \$739,936.

Rochester American assets are \$4,043,418, premium reserve \$827,848, capital \$1,000,000, net surplus \$2,071,823.

Great American Indemnity assets are \$18,458,412, premium reserve \$4,041,235, loss reserve \$7,247,922, capital \$1,000,000, net surplus \$5,352,342.

### War Risk Rates Reduced on Pan-American Shipments

NEW YORK — In recognition of modified activity by belligerents against shipping in Pan-American waters, marine underwriters cut war risk rates Wednesday on cargoes between North and South American ports.

At the same time, North sea, English and continental ports were placed in a special category. Imports to new world ports from the United Kingdom east coast ports north of Dover, and continental ports from Holland to but not including Calais, will pay a rate of 3½ percent, instead of 4 percent formerly charged on all shipments from points north of Brest. Imports from all other United Kingdom ports and from points in the Irish Free State and France, Calais to Brest inclusive, now pay 3 percent, instead of 4, while exports from western hemisphere ports pay 3½, instead of 4.

Imports on belligerent flag vessels from Norway, not south of Bergen, by the northern route, pay 3 percent, instead of 4, while imports on belligerent and neutral vessels from all other Norwegian ports, Denmark and Sweden beyond Malmo pay 4 instead of 5 percent.

### American Hemisphere Rates

Cargoes carried between North American Pacific ports and South American Pacific ports south of Buenaventura will pay 15 cents for each \$100 valuation on United States and Latin-American ships, against 25 cents, while other neutral vessels will pay 25 cents, instead of 37½. Belligerent vessels will pay 50 cents, instead of 75. On all other voyages between the two continents the rate has been cut to 15 cents from 25 for United States and Latin-American ships, to 25 from 37½ for other neutrals, and to 75 cents from \$1 for belligerents.

On voyages in the Gulf of St. Lawrence, not beyond Cape North to or from the Great Lakes and the St. Lawrence and on voyages confined to the gulf, the United States, Latin-American and neutral rates were similarly changed, as were the rates on cargoes between United States and Canadian Pacific ports and those on vessels confining themselves to British Columbia coastal waters. The rate on belligerent flag vessels in the latter area was reduced to 37½ cents from 50 cents.

The charge for coverage on cargoes shipped in vessels of belligerent powers to French Mediterranean ports, including Adriatic, Aegean and Marmora ports, to and from Black and Red Sea ports and Aden, is 1 percent.

### O'Malley May Be Free March 18

If all normal time for good behavior accrues and if fines are paid, R. E. O'Malley, former Missouri superintendent, will be released from Leavenworth penitentiary March 18, according to the federal bureau of prisons. O'Malley and T. J. Pendergast, Kansas City Democratic political leader, were sentenced on income tax charges involving failure to report sums they received in connection with the Missouri fire insurance rate case. O'Malley's sentence was a year and a day.

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CHICAGO OFFICE:  
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There's an old saying that a man's only argument against a cold, howling wind is to don his overcoat. That's a little protection for himself, perhaps,—but what about his property? ☹ The common resistance to some forms of insurance—that proper care will *prevent* loss—obviously *does not and cannot apply here*. The argument that certain parts of the country are immune because they have been safe in the past, is equally unsound! Statistics show that nearly every year great wind damage is sustained in at least one section of the country where people thought they were secure from such loss! ☹ Profit by the experience of other agents—don't let them beat you to it! An intelligent presentation of the facts about windstorm coverage, as well as the extended coverage endorsement, invariably means increased business. Get your share now—the windstorm season is starting!



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## NEWS OF THE COMPANIES

### 51 Year Glens Falls Veteran Retires; New Officers Named

After fifty-one years with Glens Falls, Robert C. Carter has retired as secretary-treasurer of that company, as well as of Glens Falls Indemnity and Commerce. As he left the company office for his home, he was conducted to an automobile, a parting gift.

In 1889, Mr. Carter first entered the employment of Glens Falls as office boy. At that time, R. M. Little, the founder of the company, was president. After serving in various capacities such as supply clerk and bookkeeper, Mr. Carter became secretary and treasurer in 1917.

Many documents bearing on the history of Glens Falls, old policies, photographs and fire marks from his private collection accumulated in over half a century were presented by Mr. Carter for display in the historical museum of the companies. Among the documents

are the first and second annual statements of the company written in pen and ink, the first one covering but half a sheet of paper. The second is a little longer and gives more details about the financial structure of the organization such as cash paid president \$6.25, cash paid tax and school district, 22 cents, cash paid for light and fuel, \$3.19. Another interesting contribution is a peculiarly shaped piece of metal carrying a number of points of various lengths. It is known as a "grasshopper" and was used to unlock the safe during the 1870s. It was dropped in a slot and when the knob was turned, the door was unlocked, the "grasshopper" coming out of hiding at another opening in the door.

Wallace D. Hicks has been elected vice-president of the three companies; Alonzo W. Morgan secretary-controller, and George I. Davis, secretary-treasurer. Stanley B. Miller was elected secretary of Glens Falls Indemnity and Edward B. Gill and Merrill M. Simpson, assistant secretaries of that company.

Mr. Hicks went with Glens Falls in 1915. He was advanced to manager of

the inland marine and automobile fire and theft departments. While retaining supervisory duties over these lines, he was placed in charge of the automobile underwriting of Glens Falls Indemnity Company. In 1934, he became secretary of that company. The following year, he was elected secretary of Glens Falls and Commerce.

Mr. Morgan became an employee of Glens Falls in 1907, and served in various capacities in the accounting and statistical departments. He was elected comptroller of all the companies in 1934.

Mr. Davis became associated with the investment department of the companies in 1928, following graduation from Dartmouth.

Mr. Miller was for three years assistant manager of the bonding department of Glens Falls Indemnity and was promoted to manager in 1930.

Upon the formation of a Texas office in 1930, Mr. Gill was placed in charge. In 1933, he was transferred to the home office as production manager.

Mr. Simpson joined the claims department in Glens Falls in 1933, having been vice-president in charge of claims in the New York office of Union Indemnity.

### Premiums and Assets of Millers National Well Ahead

Premiums of Millers National in 1939 amounted to \$3,607,890, gain of \$311,406, or 9.4 percent. Premium reserve is \$3,138,032, gain of \$340,770 or 12.2 percent.

Assets are increased to \$7,014,075 a gain of \$329,596 or 4.9 percent. Of these assets 88.8 percent are convertible into cash on short notice. Contingency reserve of \$800,000 is maintained making actual liabilities \$3,553,713.60 and actual surplus \$3,460,361.82.

The affiliated Illinois Fire reports assets \$693,876, liabilities \$157,328, capital \$200,000, surplus \$336,547. Premium reserve is \$140,334.

Assets of Illinois Fire represent \$202,273 cash and \$467,946 United States government bonds making the entire assets practically 100 percent liquid.

### Providence Washington Has Sizable Premium Gain

Assets of Providence Washington in the annual statement appear as \$15,496,380. Premium reserve is \$4,596,156. Capital is \$3,000,000 and net surplus \$6,414,876 as compared with \$5,989,911 the previous year.

Net underwriting profit was \$353,975 and net investment income \$487,916.

President G. C. House reported that 1939 was the peak year in premium volume since the low point of 1932. The gain in premiums of Providence Washington and the affiliated Anchor was 31 percent since 1932.

Net premiums of Providence Washington were \$5,974,334, losses were \$2,614,983 and expenses \$2,666,972 exclusive of taxes which amounted to \$271,019. The net premiums were \$242,672 higher, the losses were \$175,199 lower.

Assets of Anchor were \$2,658,147, surplus \$906,023. Net profit from underwriting was \$31,266 and net investment income \$80,223. Net premiums earned were \$647,812, a substantial gain.

Mr. House commented upon the current marine insurance situation. He stated that Providence Washington is concerned only to a minor degree in the many war losses which shipping has suffered by submarines, mines and bombing planes. These losses in large measure, he observed, fall under the protection granted by the war insurance bureaus of several European governments and insured at a premium below that which seems commensurate with the risk which must be assumed.

### Phoenix of Hartford Exhibit

Net premiums written by the companies in the Phoenix of Hartford group amounted to \$15,460,004 in 1939, a gain

of 4.8 percent. The fire premiums were \$9,443,998, decrease \$335,896; tornado \$915,048, increase \$19,970; sprinkler \$42,430, increase \$4,007; riot \$301,712, increase \$65,052; earthquake \$11,947, increase \$2,600; hail \$153,095, increase \$33,883; motor vehicle \$1,672,971, increase \$444,008; ocean marine \$1,079,788, increase \$291,899; inland marine \$1,774,248, increase \$82,791; aircraft \$64,761, increase \$22,321.

Assets of the parent company are \$64,190,352, increase \$2,689,942. Securities and adjustment reserve is \$7,000,000, increase \$2,000,000 and surplus is \$39,661,975, increase \$238,408.

Assets of Connecticut Fire are \$23,644,841, increase \$806,293. Surplus is \$15,118,028, increase \$683,281. Assets of Equitable F. & M. are \$7,344,667, increase \$266,888 and surplus is \$5,065,730, increase \$257,152.

Minneapolis F. & M. had assets \$2,555,020, surplus \$1,295,836; Central States Fire assets \$2,374,158, surplus \$1,034,789; Reliance of Canada assets \$864,560, surplus \$595,075; Atlantic Fire assets \$573,449, surplus \$218,249; Great Eastern assets \$722,062, surplus \$376,660.

### Pacific National Moves Ahead

Pacific National Fire in its new statement records a gain in assets of \$1,317,749, an increase in premium reserve of 20.4 percent, the highest record in its history in premium income and a strengthened cash position.

Assets are \$8,451,763; premium reserve \$4,818,095, capital \$1,250,000, net surplus \$1,606,838. Surplus to policyholders increased about \$500,000.

Premium income was \$4,978,606, a gain of \$658,785 or 15.3 percent. Cash amounts to \$1,497,835 as compared with \$924,944.

Of the assets 81.1 percent are in cash, stocks and bonds. If actual market quotations on bonds had been used, Pacific National's assets would be increased to \$8,705,436 and surplus to policyholders to \$3,110,510.

### Camden Premiums Sharply Higher

Camden Fire in 1939 recorded a sharp increase in premiums. The writings totaled \$6,421,121, an increase of \$878,481. This necessitated an increase of \$561,726 in premium reserve which brought about a loss in the underwriting experience of \$63,914, although the trade profit on a written basis was 7 1/4 percent.

Net income on investments was slightly higher at \$459,558 and permitted Camden to continue its dividend at the usual rate requiring \$400,000.

There was an increase in the conflagration reserve of \$65,000 and net surplus was increased by \$8,971.

Assets are \$13,433,619, capital is \$2,000,000 and net surplus \$4,121,086.

### General of Seattle Exhibit

General of Seattle in its new annual statement reports assets \$15,972,448, increase \$1,149,000; policyholders' surplus \$7,031,180, increase \$510,000.

Earned premiums were \$7,017,042. The loss ratio on an earned and incurred basis was 40. The increase in premiums written was \$510,000.

The affiliated First National has assets \$1,098,094 and surplus to policyholders' \$937,183.

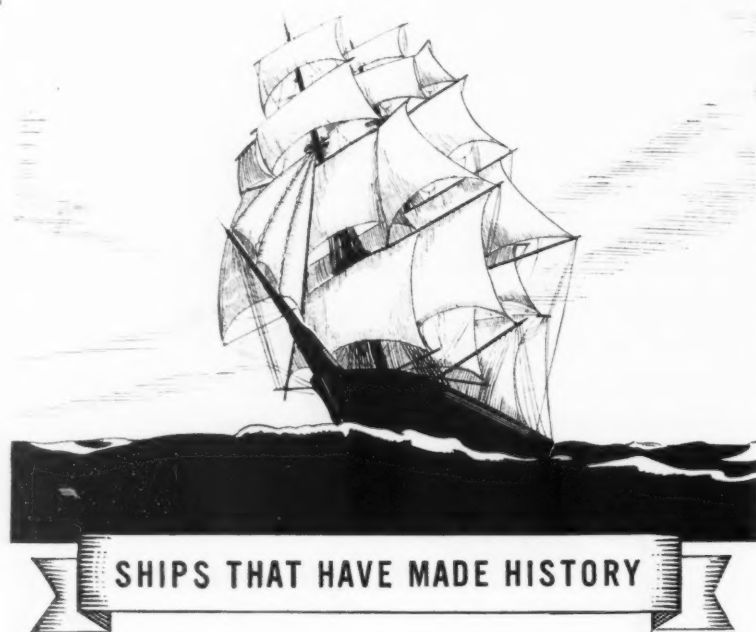
### Resumes Dividend Payments

NEWARK—Eagle Fire of Newark has resumed dividends, with declaration of a payment of 5 cents a share March 1 to stock of record Feb. 15.

### Paramount in S. E. U. A.

The Paramount Fire has been admitted to membership in the Southeastern Underwriters Association.

William S. Innis, first vice-president of the Rhode Island Trust Company, has been elected a director of Providence-Washington, succeeding the late W. A. Viall.



In 1851, Donald McKay, one of the greatest shipbuilders in that period, built the "Flying Cloud" in East Boston, Massachusetts. One of the most notable of the clipper ships, she sailed from New York City to San Francisco around Cape Horn in the record time of 89 days and 20 hours. She was a big ship for her day, with fine lines, a great spread of canvas and there was nothing afloat that could keep up with her in strong winds. On one trip the "Flying Cloud" sailed 374 miles in 24 hours, an average of 15.6 miles per hour.

In the days of the "Flying Cloud" ship builders were continually experimenting for new and better ways to improve construction and performance. In the early days of marine insurance, companies also had to experiment a great deal to keep step with changing conditions. Today, however, all that has passed and the day of specialization is here. Agents desiring the latest form of ocean or inland marine insurance now go to Appleton & Cox, Inc.—marine insurance underwriters since 1872.

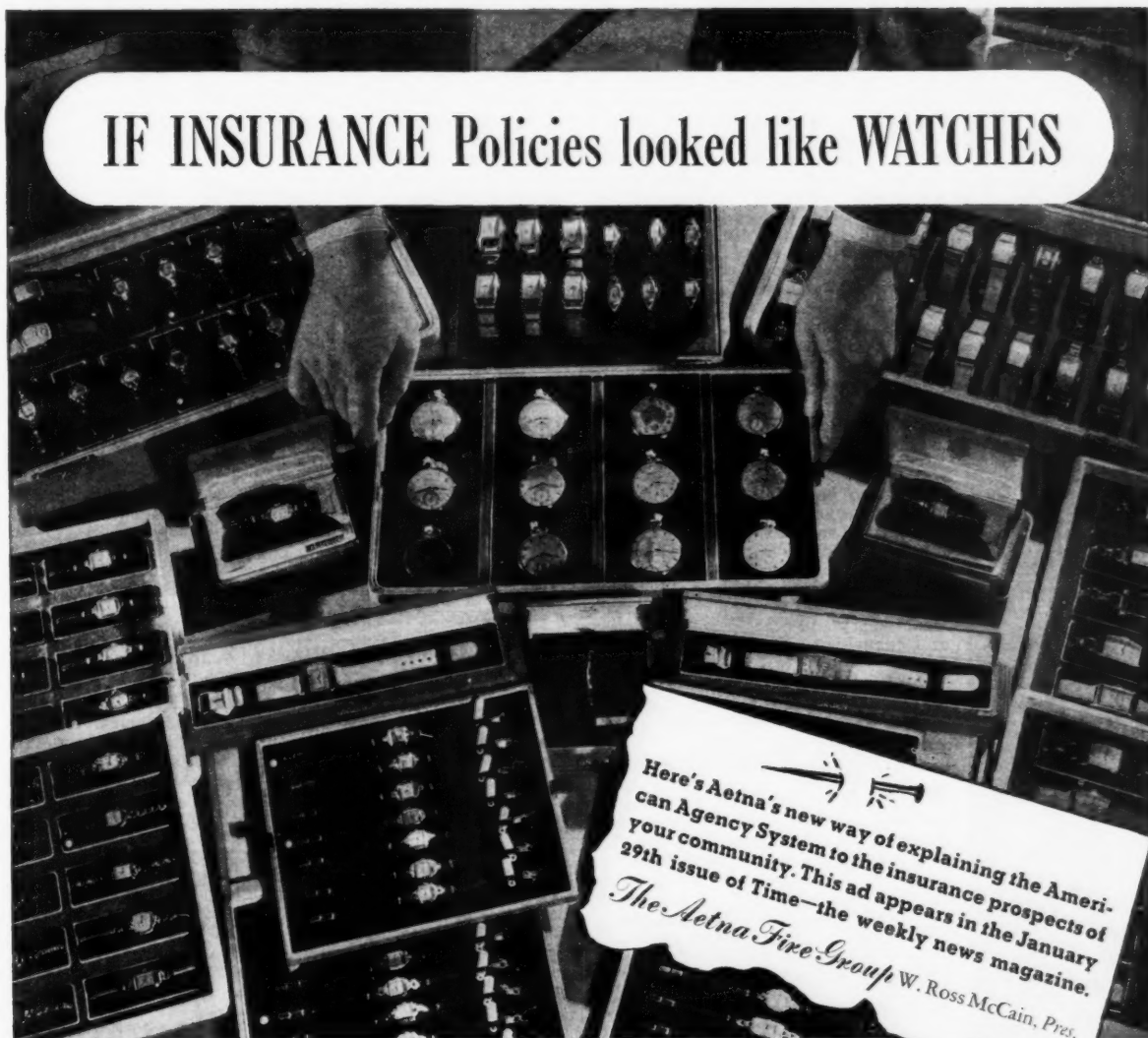
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These local agents can give you valuable advice on how to get full value for your insurance money . . . they keep your insurance up to date . . . they render immediate assistance in event of loss.

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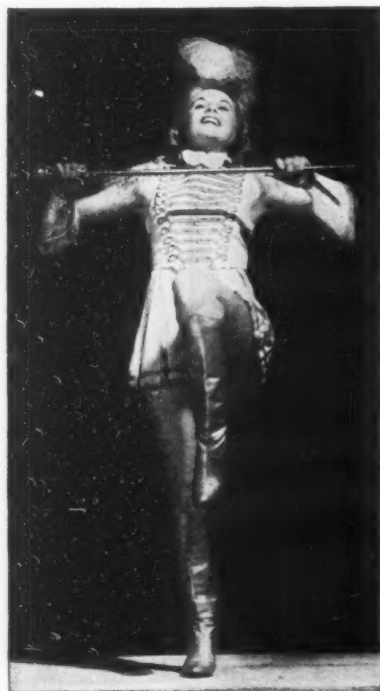




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AS  
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GOOD AGENCY  
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## NEWS OF FIELD MEN

### Changes Announced by Firemen's Group Michel in Talk to Harrisburg Agents

The Firemen's group of fire and casualty companies announced appointment of Lawrence Shoemaker as special agent in the Toledo territory to assist State Agent B. R. Howard. He will make his headquarters at the Toledo office, which services 14 counties in Northwestern Ohio for the seven fire and two casualty companies. Mr. Shoemaker has been connected with the Toledo office of the Travelers Fire, prior to which time he was for a number of years with the Michigan Inspection Bureau, with headquarters at Kalamazoo, and later at Detroit.

The resignation of R. E. Hoskins as state agent for southern Wisconsin (except Milwaukee County) for the Girard Fire & Marine, Milwaukee Mechanics, National-Ben Franklin Fire and the Keystone Underwriters is announced. The companies which were supervised by Mr. Hoskins have been placed under the supervision of State Agent I. E. Frey, who has for a number of years been state agent in southern Wisconsin (except Milwaukee County) for the Firemen's, Concordia Fire and Pittsburgh Underwriters. Mr. Hoskins resigned his position in the field in order that he might devote his time exclusively to his local agency and other personal interests at Dodgeville.

L. M. Michel, general agent use and occupancy department at the head office of the Fire Association, spoke this week before the central Pennsylvania agents at Harrisburg under the auspices of the Pennsylvania Field Club, dwelling largely on the opportunity that exists for use and occupancy production, particularly at this time when there is being experienced some upswing in business. He said that before the full possibilities of this cover can be realized it must be understood and believed in by the agents and in turn by the prospects. He referred to the almost universal need for U & O and explained why it has not yet been satisfied. He sees, however, considerable progress made in a wider distribution of U & O insurance. He outlined the intent and purpose of the cover, gave a history of forms and their development and explained those that are currently available. He made an analysis and comparison of the coverage and cost. He sees a bright future in use and occupancy and urged agents to take advantage of the opportunity of adding to their income by selling it.

### Past Presidents Are Honored by Buffalo Field Club

BUFFALO—The Buffalo Field Club observed past presidents' day at its weekly meeting, with 10 of the 11 past presidents on hand. Humorous "success stories" by each past president highlighted the program. President B. P. L. Carden turned over the gavel to Past President R. C. Brown, who conducted the meeting. Past presidents

participating were W. C. Truncer, Hugh Russ, J. B. Tally, R. V. S. Richmond, L. B. Goulding, J. W. Frey, T. M. Hinkley, F. C. Beebe and R. E. Eisert.

At the Feb. 13 dinner meeting, members of the Buffalo Field Club, Buffalo Association of Fire Underwriters and the Erie County Rural Agents Association will gather for a joint session. Eight new members will be initiated at the Feb. 24 meeting.

### Central-Northern California Group Names Tracy Head

SAN FRANCISCO—W. E. Tracy, America Fore, was elected president of the Special Agents Association of Central-Northern California at the annual meeting here. Mr. Tracy, who served as vice-president last year, succeeds C. M. Rogers, Royal-Liverpool group.

A. H. Bonstin, New York Underwriters, was elected vice-president and Roy G. Scheller, London & Lancashire, sergeant-at-arms; Harrison Houseworth reelected secretary, and Paul B. Schlosser, Phoenix of London, treasurer, succeeding C. S. Myrick, formerly of the Liverpool & London & Globe. Prior to his retirement Mr. Myrick had served as treasurer of the association since its formation in 1924.

Elected to the executive committee were: C. M. Rogers, immediate past president; E. M. Northrup, Great American and Phoenix; A. W. McKnight, Seeley & Co.; B. E. Nourse, Fireman's Fund; H. E. Tonnemacher, North British; R. B. Lawler, Pacific National; C. F. Bailey, Hartford, and Floyd Lobbree, Fireman's Fund.

L. A. Loustau, Pacific National, and H. S. Shafer, Aetna Fire, were voted into membership.

Speakers were S. L. Carpenter, Jr., manager Pacific Board, and C. D. Lasher, manager Home of New York, chairman of the executive committee of the board, who spoke of the board's organization and functions, touching also



## NEW BUSINESS

# 1940

NOT only a new year, but also a new decade. May it be better, business-wise, for all. Prospects will be brighter for you if "Springfield Group" service is at your command.



## THE SPRINGFIELD GROUP

GEO. G. BULKLEY, President

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SENTINEL FIRE INSURANCE COMPANY . . . SPRINGFIELD, MASS.  
MICHIGAN FIRE & MARINE INSURANCE COMPANY . . . DETROIT, MICH.  
NEW ENGLAND FIRE INSURANCE COMPANY . . . PITTSFIELD, MASS.

## OF FIRE INSURANCE COMPANIES

### Home Holds Series of Field Meetings

HERSHEY, PA.—The meeting of field men of the home is in progress at Hershey, Pa. Friday will be the third and final in the series of such gatherings held in the east, former meetings having taken place earlier in the week at Boston and at Washington, D. C. Last Thursday and Friday all of the gatherings were under the general direction of Vice-president J. A. Forrestel aided by Assistant Secretary H. A. Payne. Vice-president Walter F. Beyer and President H. V. Smith were on hand at Washington, the latter speaking briefly as he did at each of the other meetings. The meetings scheduled for field men in the middle west are Feb. 26-27 at Des Moines, Feb. 29 and Mar. 1 at Milwaukee, and Mar. 4-5 at Indianapolis. These will be in charge of Vice-president Ivan Escott, the head office being represented as well by Secretary Leonard Peterson as to Des Moines and Milwaukee and by Assistant Secretary D. H. Moore of the National Liberty at the Indianapolis roundup. It is expected President Smith will also be present and speak at least once at each of the meetings later on.

Men traveling the Pacific Coast field will meet at DelMonte and at Salt Lake City while the Canadian contingent will gather at Toronto. Sessions at each of the three centers are to be directed by President William Quaid.

### Victor Penn With Detroit Companies in Wis.

M. Robert Olp, president of Dearborn National and Great Lakes Casualty, announces that Victor A. Penn, formerly state agent for Chris Schroeder & Sons, Inc., general agency of Wisconsin, now becomes state agent for these companies with headquarters in Milwaukee.

Mr. Penn has had considerable experience in the insurance business in Wisconsin, having operated his own local agency at Racine for several years. His later field experience with the Schroeder general agency was largely in behalf of National F. & M. He is an aggressive field man of the younger generation.





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upon present problems of the business; G. C. Appleton of Fresno, former president California Association Insurance Agents, chairman of the association's "adherence committee," and H. P. North, assistant director Business Development Office.

Mr. Rogers was elected chairman of the executive committee and Mr. Houseworth secretary of the committee.

#### Illingworth Anthracite Head

S. B. Illingworth, Aetna Fire, was elected president of the Anthracite Field Club at the annual meeting at Scranton, Pa. He succeeds H. W. Peterson, Springfield F. & M. Vice-president is R. C. Lomas, Fire Companies Adjustment Bureau; secretary, Philip O'Connell, New Hampshire; treasurer, B. F. Harding, Lucas, McDonald & Harding of Scranton.

The next meeting will be held at Wilkes-Barre Feb. 27. The speakers will be W. E. Mannear and D. W. Davis of the Taxpayers Association of Wyoming Valley.

#### Caledonian Appointments

The Caledonian group has appointed George A. Cassell state agent for Missouri and Illinois, excluding Cook County. He has been active in production work in Illinois for several years. He is the son of J. Lewis Cassell, for many years state agent for the London Assurance in Illinois.

J. M. Richardson is made state agent for New Jersey, including the New York suburban territory. He has been very active in production work in that territory for many years.

#### Census Talk to Blue Goose

DES MOINES—Local agent Dan McEniry, sixth district census supervisor, talked to the Iowa Blue Goose at its Monday luncheon, explaining how the census work is being set up in the state.

J. C. Swisher, Kansas state agent for Corroon & Reynolds and formerly in the Iowa field, was a visitor. He was here for the funeral of his brother, S. A. Swisher, former agency manager Equitable Life of Iowa.

#### Launch Educational Work

DENVER—New committees whose duty will be to formulate a constructive program of educational activities were appointed by President R. M. France at the monthly meeting of the Mountain States Underwriters Club.

W. E. McCullough, general agent, was named chairman of the legislative committee, with Carl Eppich of Ed P. Eppich & Son, general agents, as the other member. P. J. Ferretti of Reed & Co., general agents, is chairman of the program committee, assisted by C. H. Hardin Smith of the Pearl. On the public relations committee, A. J. Reed, Jr., of Reed & Co., is chairman, the other members being H. E. Trautmann, Northwestern National, and David Merton, McCullough general agency.

#### Arapahoe Club Meets

SAN FRANCISCO.—The annual meeting of the Arapahoe Club, organization of fire insurance men who formerly served in the Rocky Mountain territory, was held Tuesday. H. C. Edmundson, vice-president America Fore, was "host of the day."

#### Northern of London Parley

Field men in the western department of Northern of London are at the New York head office this week for the annual conference. Earl Patton is head of the western department.

#### Pacific Blue Goose Muster

SAN FRANCISCO—Charles W. Cook, district manager Pacific Board at Butte, Mont., was elected president of the conference of Pacific Coast Blue Goose ponds at the annual meeting here. He succeeds Stanley McPherson of the

New Zealand. A. J. Shaw, assistant manager Oregon Rating Bureau, was elected vice-president. Milton Pinney, America Fore, was re-elected secretary-treasurer. Mr. Pinney served as the first president of the conference at its organization in 1924. Ten ponds were represented.

#### E. A. Logue with State of Pa.

Edward A. Logue has resigned as special agent for Logue Bros. & Co. of Pittsburgh to become state agent for the State of Pennsylvania in Western Pennsylvania. He takes the place of Alired G. Trager.

Replacing Mr. Logue with Logue Bros. & Co. is Robert E. Petrie, who has been with the agency 11 years in the fire department.

#### North B. & M. Conference

Field men of the central department of the North British & Mercantile group held their annual conference in Columbus, O. Secretary R. L. Mouk was in charge, assisted by General Agent H. V. Tisdale. Various department heads also were in attendance.

#### Agricultural General Agents

Agricultural of Watertown has appointed John R. Hampton & Co., Union National Bank building, Little Rock, as general agent for Arkansas.

The affiliated Empire State has appointed A. F. Irby & Co., Trust Company of Georgia building, Atlanta, as general agent for Georgia and Alabama.

#### FIELD NOTES

The Bay State Club at its meeting Feb. 16 in Boston will be addressed by a New England fire chief, as a part of its public relations program.

The Minnesota Fire Prevention Association will inspect Faribault Feb. 21. The Illinois Fire Prevention Association will inspect Clinton the same day.

The Des Moines ladies of the Blue Goose will meet Feb. 20 with Mrs. Claude Borrett as chairman.

The Indiana Blue Goose held a Valentine dinner dance in Indianapolis with about 150 members and guests in attendance. A. W. Schmadeke, Atlas, most loyal gander, presided and introduced a number of guests. The Indiana pond glee club rendered several selections.

Major trends in selling methods were outlined by Richard Coleman, sales research authority, in an address before the Ontario Blue Goose in Toronto.

J. Burr Taylor, Western Actuarial Bureau, Chicago, appeared in a radio skit with Chief Roy Johnson of Harrisburg, Ill., over station WEBQ during an inspection by the Illinois Fire Prevention Association. In addition he talked before 1760 school children, and in the evening addressed a group of 100 civic leaders at a meeting sponsored by the Rotary and Kiwanis Clubs. Presiding was J. L. Cassell, state agent London Assurance, Chicago, association president.

B. R. Rhett, North Carolina state agent of the Royal, has moved his headquarters from Raleigh to Asheville, N. C.

A. N. Stiglitz, special agent for Providence-Washington, has removed his headquarters to 604 Chimes building, Syracuse, N. Y.

#### Johnson City Endorses Saint

JOHNSON CITY, TENN.—The local insurance exchange passed resolutions endorsing the managerial plan of the Tennessee Association of Insurance Agents and expressed "full confidence in the integrity and ability of John D. Saint, present manager."

#### Minnesota Annual Meeting

MINNEAPOLIS—The annual meeting of the Minnesota Association of Insurance Agents will be held at Duluth in August, the exact dates to be decided later. Calvin How, president of the Duluth Underwriters Association, soon will name a committee to arrange for the meeting.

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tion in laymen's lan-  
guage of the purpose  
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## EDITORIAL COMMENT

### Fire Prevention Week in January?

REFLECTING upon the severe fire loss record in January, an insurance executive makes the suggestion, which seems persuasive, that fire prevention week be observed during January instead of during October. He points out that October is usually a month of low losses and there do not exist the numerous immediate object lessons that would occur if the observance were conducted during a month when losses are likely to be at a peak. Moreover he makes the point that the lessons that are brought home to school children during October are likely to fade in their consciousness so that when the hazard of fire becomes more pronounced, the children are less likely to remember to do the things that they were advised to do in October. On the other hand, if their consciousness should be penetrated

in January their alertness might have a good deal more practical value. The field men could just as well be spared for fire prevention work in January as in October and, indeed, according to this executive, it would be an even more suitable time of the year for the field men.

Of course the observance of fire prevention week in October is pointed up by the fact that it comes on the anniversary of the Chicago fire. This adds a certain dramatic element and provides a point of departure for publicity for the week.

The arguments of this executive seem to us to have much merit and we pass the suggestion along to those primarily responsible for the observance of fire prevention week for what it may be worth.

### Opportunities for the Field Man

THERE are abundant opportunities for field men to render a very valuable service to local agents aside from their regular routine duties. Field men visit agencies throughout their territory, come in contact with those that are making a success with some plan for production, that are carrying on a campaign for selling that is bringing in the bacon, that have devised an office system that is more efficient and economical than the old ones. As field men traverse their territory they soon ascertain what local agents are live wires and what ones are really successful, and then they should study why they are successful. Successful agents follow successful methods. A field man can gather information of great value which

he can pass along to other agents. He may be a fire insurance special agent. That should not exclude him from getting all the information he can about successful agents selling various forms of casualty insurance.

There is no one in the business that has greater opportunity for absorbing information of great value. These field men become distributors of successful sales ideas, of efficient and economical office systems, of methods followed in handling solicitors or brokers that have proved practical. Every field man who visits a local agent should be able to contribute something of practical value to that agent so that the sojourn will be profitable to the agent. In that way he becomes a useful visitor.

### Need to Keep Out Weeds

IN ONE of the contributions to the "Forum," the closing sentence is as follows, being a philosophical observation from a southern farmer: "You can't have corn bread unless you plant the corn," said Holdencroft, "and after you plant it, you got tah pull the weeds an keep the vermint out."

There is much rustic philosophy in

this rather homely comment. None of us can get very far in our vocation or any activity unless we plant the seed and then after that cultivate the growing plants assiduously. Many crops are ruined because farmers are not sufficiently industrious or resourceful in keeping the weeds down and having the ground properly cultivated.

### Use of the Moving Picture Camera

UNDOUBTEDLY the moving picture camera will become a greater influence in presenting visual evidence of an actual condition in a claim. This was brought

to light in a recent suit at Boonville, Ind., where an assured of the American States of Indianapolis lost control of his car in a garage, drove it through a door

and injured the proprietor, who was working inside. The injured person claimed that he was permanently and totally incapacitated and could do no manual labor. Specialists were brought in by the plaintiff to show that such was the case and according to their testimony he was in great physical pain, screamed and nearly fainted in the court so that he had to be revived. The defense, however, secured several hundred feet of film showing the garage man able to work, despite his alleged disability. The \$35,000 claim, therefore, was cut down to \$755.

At a meeting of the Chicago Claim

Association, C. P. Anstett, superintendent of the inspection department of the New York Life, gave a talk and said that the motion picture cameras can be used to detect fraud where disability claims are involved. He presented motion picture studies of actual investigations. He discussed the technical phases of taking such pictures so that they could be submitted as evidence in court.

This all goes to show that the moving picture camera undoubtedly will be used more and more in cases of this kind. Naturally the evidence must be such that is obvious and convincing.

## PERSONAL SIDE OF THE BUSINESS

**M. T. Wilson**, for a number of years Charlotte, N. C., manager of the Travelers Fire, who has just gone to Hartford as agency superintendent for southern states, was given a farewell party in Charlotte by 35 of his co-workers, who presented him a traveling bag. The J. J. Harris agency of Charlotte also entertained for Mr. Wilson. The 30 guests included C. P. Jervey, assistant secretary Travelers Fire; B. C. Wuersch, new manager of the Charlotte office; P. T. Barnum, local agent of Southern Pines, N. C., and several special agents. Mr. Harris presented Mr. Wilson a wrist watch.

**R. M. Thompson**, former executive secretary-treasurer of the Minnesota Association of Insurance Agents, is convalescing from an operation at University hospital, Minneapolis.

**W. R. Ruegnitz**, manager of the automobile and inland marine department of Buffalo, is attending the 60th wedding anniversary of his parents, Mr. and Mrs. A. H. Ruegnitz of Cedar Falls, Ia.

**E. A. Henne**, vice-president and western manager of America Fore, is leaving in a few days for a Florida vacation. He expects to make his headquarters at Fort Lauderdale.

**W. H. Wills** of the Wills Brothers agency, Bennington, Vt., now lieutenant-governor of Vermont, has announced as a candidate for governor.

**Miss Katherine Conroy**, secretary to Commissioner McCormack of Tennessee, was married recently to Embury DuBose of Nashville.

**E. Wright Spencer**, Richmond manager Virginia rating bureau, who has been in Florida, won the weekly "hole contest" of the Clearwater, Fla., Country Club. A prize is awarded to the golfer whose drive stops closest to the cup on the short 14th hole.

**Seth B. Thompson**, Penn Mutual Life, Portland, Ore., recently named Oregon insurance commissioner, has been incapacitated by influenza for the past ten days.

**F. L. Waterman** of the Waterman & Lohmiller agency of Davenport, Ia., lost his city home by fire the other day. He maintained an apartment in a store building that was furnished in club-like style and was a favorite retreat for field men that are friends of Mr. Waterman when they were in the city. The apartment was known to Mr. Waterman's

friends as the "town hall." Mr. Waterman also has a country place.

**Willard Quinn**, head of the Kansas Underwriters, Wichita general agency, is in St. Francis Hospital there, following an operation which may require his confinement for some time, although his illness is not thought to be serious.

**C. E. Bleckley**, Kansas state agent of the Northern Assurance and past most loyal gander of the Kansas Blue Goose, who has been confined to his home for nearly three months following a heart attack, is now able to sit up and have callers for brief periods. While he will be confined for some time, his condition is now showing definite improvement. Alfred Smith of the New York office has been in Kansas for the past three weeks pinch hitting for Mr. Bleckley.

**J. S. Farrell**, president of the Union Fire of Lincoln, Neb., was married at Kansas City to Miss Agnes Neylon, secretary of the Lincoln Automobile Club and herself an insurance agent. They are honeymooning in California.

**E. L. Miller**, secretary of the A. F. Shaw & Co. agency of Chicago, has returned from a Florida vacation. He rented a place at Pompano.

**H. M. Carmichael**, general manager Oil Insurance Association, Chicago, is on a business trip to the Pacific Coast.

## DEATHS

**B. J. Hoeppner**, 52, Winona, Minn., local agent, was killed in an automobile accident at Fort Scott, Kan.

**Leonard Peterson**, secretary of Home of New York, was in Chicago this week because of the death of his mother, **Mrs. Helen Peterson**, 78, who resided with her daughter in Berwyn, Ill. The death occurred Sunday and funeral services were held in Oak Park, Ill., Wednesday.

**F. W. Snow**, 81, for 45 years an inspector with the Boston Board until his retirement in 1929, died at his home in Chelsea, Mass.

**W. E. Salomon**, 70, head of William E. Salomon & Co., contractors and appraisers, Chicago, died after an illness of only two days. He established the business 35 years ago and ran it in association with his brother Leo. The firm is incorporated and will continue under the present management without change. It does much repair work and ap-



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praisals for fire companies. Mrs. Salomon was in Los Angeles when her husband died, but returned immediately. Mr. Salomon was sent to San Francisco by the fire companies in 1906 to adjust earthquake and fire losses due to his practical building experience and was there for many months. Mr. Salomon was one of the original tenants in the Insurance Exchange.

Frank Furgason, 66, local agent in Kansas City for many years, died at Research Hospital there. He had carried on the Furgason agency, founded over 75 years ago by his father. At the time of his death he was president of the Underwriters Fire Patrol, a post he had filled for five or six years. He served as president of the Insurance Agents Association of Kansas City in 1920.

Frank S. Welsh, 47, of Wilkes-Barre, special agent in northeastern Pennsylvania for the America Fore companies, died at Temple University hospital in Philadelphia. Funeral services were held at Hudson, Mass. He graduated from Harvard in 1915, was connected with the Underwriters Bureau of New York five years, served as engineer for Fireman's Fund 1921-24 and since then has been with America Fore. He was the first president of the Anthracite Field Club of Pennsylvania.

Arthur D. Olds, 51, since last June Wisconsin state agent for the Standard Fire of New York, died from a cerebral hemorrhage sustained while motoring back to Milwaukee from Racine, Wis. Mr. Olds, with his wife, members of his family and other friends had been in Racine to attend a 30th wedding anniversary party of John E. Mears, a local agent, and wife. While driving home, Mr. Olds was suddenly taken ill and arrangements were made by other members of the party to have an ambulance take him to a Racine hospital, but he died on the way. Burial was at La Grange Center, Wis., his childhood home. A son, William, is with the Nurnberg Adjustment Co. Previous to last June, Mr. Olds was with the Rhode Island as Wisconsin state agent for 10 years and for about a year special agent in several states. Previously he was special agent for the Westchester for five years. He started in the business as a local agent at Whitewater. He was a native of Missouri but had lived in Wisconsin 35 years.

A. J. Lewis, 79, with the Boston Board from 1894 to 1916, is dead.

E. A. Teele, 73, local agent in West Somerville, Mass., for nearly 50 years, died at his home.

F. E. McGlaughlin, 44, local agent at Presque Isle, Me., died from a heart attack.

## EXPERIENCE IN 1939 BY LINES

AETNA FIRE			
Fire	11,784,573	4,773,000	
Tornado-windstorm	1,163,375	562,597	
Sprinkler leakage	35,908	15,712	
Riot and explosion	296,243	12,239	
Earthquake	22,023		
Hail	524,812	239,003	
Motor vehicle	6,233,229	2,909,423	
Ocean marine	1,220,009	611,630	
Inland marine	1,375,458	508,435	
Aircraft	73,404	9,983	
Other lines, rain	18,220	7,505	
AMERICAN AUTO FIRE			
	Net Pmts.	Losses Pd.	
Motor vehicle	\$3,329,168	\$1,095,322	
EQUITABLE FIRE, S. C.			
Fire	229,310	60,270	
Tornado-windstorm	9,116	4,631	
Riot and explosion	685	107	
Extended cover	7,563	175	
EAGLE STAR			
Fire	1,318,077	673,730	
Tornado-windstorm	59,364	33,858	
Sprinkler leakage	4,984	2,147	
Riot and explosion	6,955	457	
Earthquake	4,226	2	
Hail on growing crops	5,630	3,359	
Motor vehicle	211,196	87,396	
Ocean marine	580,394	226,048	
Inland marine	117,811	33,364	
Other lines	82,293	20,033	
EXPORT			
Fire	14,452	2,851	
Tornado-windstorm	1,720	317	
Ocean marine	62,613	9,793	
Inland marine	34,053		
GENERAL, WASH.			
Fire	4,797,491	1,724,795	
Tornado-windstorm	251,942	155,643	
Sprinkler leakage	11,132	1,296	
Riot and explosion	24,520	2,930	
Earthquake	14,839	2,369	
Motor vehicle	1,612,833	658,126	
Inland marine	335,005	144,212	
Other lines	495,904	121,669	
FARMERS' FIRE, PA.			
Fire	566,495	290,120	
Tornado-windstorm	10,720	7,606	
Sprinkler leakage	1,294	548	
Other lines, supplemental contract	22,146	1,439	
FIRST NATIONAL, WASH.			
Fire	110,913	3,355	
Tornado-windstorm	5,600	14	
Motor vehicle	35,832	838	
Other lines	11,465	16	
ILLINOIS FIRE			
Fire	78,857	27,302	
Tornado-windstorm	22,501	10,209	
Riot and explosion	922	44	
MILLERS NATIONAL			
Fire	2,294,744	821,368	
Tornado-windstorm	211,664	64,938	
Sprinkler leakage	4,889	1,444	
Riot and explosion	40,728	9,509	
Earthquake	5,304		
Motor vehicle	497,237	204,794	
Inland marine	550,451	177,843	
Use and occupancy	2,873	666	
OLD DOMINION FIRE			
Fire	23,057	12,709	
Motor vehicle	4,769	1,919	
PRUDENTIAL, OKLA.			
	(All premiums reinsured)		
Fire	81,858	50,259	
Tornado-windstorm	22,527	17,238	
Motor vehicle	20,078	15,693	
Personal property	2,299	570	
Other lines, farm	4,978	1,929	
PIEDMONT FIRE			
Fire	591,176	211,551	
Tornado-windstorm	44,222	33,681	
Sprinkler leakage	1,409	522	
Riot and explosion	8,609	2,190	
Earthquake	1,461		
Hail	58,497	35,965	
Motor vehicle	581,957	295,228	
Ocean marine	17,371	3,527	
Inland marine	55,353	33,243	
REPUBLIC, TEX.			
Fire	2,025,031	654,361	
Tornado-windstorm	150,024	78,869	
Riot and explosion	5,303	90	
Earthquake	3,972		
Other lines, Ext. coverage	235,717	43,636	
STATE FARM FIRE, ILL.			
Fire	246,800	78,552	
Tornado-windstorm	9,489	2,898	
Hail	67,641	21,126	
Motor vehicle	24,340	5,794	
Inland marine	11,225	9,395	
Supplemental	42,165	4,891	
TRAVELERS FIRE			
	Net Pmts.	Losses Pd.	
Fire	\$7,726,375	\$2,674,143	
Tornado-windstorm	\$24,264	265,284	
Sprinkler leakage	43,142	17,654	
Riot and explosion	60,360	4,010	
Earthquake	15,352		
Motor vehicle	3,405,989	1,138,941	
Inland marine	1,154,696	335,726	
Aircraft	28,792	1,661	
WORLD F. & M.			
Fire	871,041	341,342	
Tornado-windstorm	71,131	29,958	
Sprinkler leakage	3,334	708	
Riot and explosion	25,112	699	
Hail	211,050	93,646	
Motor vehicle	441,115	230,346	
Ocean marine	79,056	40,039	
Inland marine	94,996	32,266	
Other lines, rain	4,470	2,278	

According to

**PHIL**

By Phil Branniff  
Insurers Indemnity &  
Insurance Co., Tulsa



These millions of men who prowl about the world all day in pursuit of ultimate security and incidental income are really very hard on my nerves. I don't mind getting up at the crack of dawn once a week to go duck hunting or staying up late trying to fill an inside straight but this idea of getting up early every morning to rush downtown only to find that the only other people who got up so early were other insurance agents, is a bit distressing. There ought to be a law - - - or somp'm'.

I don't believe in birth control but I do think there are too many insurance agents in this world. I'd offer a solution but every plan I've figured out so far didn't suit me because I'd be one of the first to go out. Maybe a rule of nepotism would help - - - a law by which a man couldn't give his insurance to anybody related closer to him than the third cousin of his first wife and the chances are his first wife would take care of shutting off any business from that angle. But I wouldn't like that. I've got a cousin.

It isn't that business is scarce—it's just that business is more exacting than it has ever been. An insurance man used to be a man who sold insurance. An insurance man these days is a fellow who must know much about insurance and something about everything. He must know the Marquis of Queensberry rules, the Culbertson system, the law of averages and the Braille system, which will put some feeling into the work. An insurance agent has to keep up with what's going on. He has to know who's going to buy a new car, where some new furniture will be sold, some expiration dates of expiring policies, what kind of golf the prospect shoots, and other pertinent facts. He has to keep his eyes and ears open, his nose on the trail and his coat tail flapping in the breeze.

This is going to be a good year in the insurance business. People are buying things. The fact that they are not paying for them is slightly disconcerting, but is offset by the fact that the fellow who sells things will see the occasion for insuring them.

PHIL



## CHARACTER

An insurance company, like an individual, develops characteristics that are the reflection of its people and policies through the years. Since 1710, one company, THE SUN, the oldest insurance company in the world, has been marked by reliability, friendliness, and a knowledge of the business that makes able and successful agents today pleased to say, "I am the Man from THE SUN."

Founded 1710

**SUN**  
**INSURANCE**  
**OFFICE**  
LIMITED

PATRIOTIC INSURANCE CO. OF AMERICA  
SUN UNDERWRITERS INS. CO. OF N. Y.  
SUN INDEMNITY CO. OF N. Y.

NEW YORK: 55 Fifth Avenue  
Chicago: 309 W. Jackson Boulevard  
San Francisco: Swett & Crawford, Gen'l Agts.



The  
**CHARTER OAK FIRE**  
**INSURANCE COMPANY**  
~ HARTFORD, CONNECTICUT. ~

ONE OF THE TRAVELERS COMPANIES

# It took Robust Character to Grow in the 30's



## OUR TOTAL ADMITTED ASSETS

December 31, 1930.....	\$24,521,558.14
December 31, 1939.....	34,075,070.73

## ASSETS

Cash in Banks .....	\$ 1,618,773.69
United States Government Bonds .....	17,332,937.93
Other Bonds .....	5,491,510.93
Stocks .....	6,288,687.00
Accrued Interest .....	156,132.71
Premiums in Course of Collection (Under 90 Days) ....	2,686,172.40
Other Assets .....	500,856.07

TOTAL ADMITTED ASSETS.....	\$34,075,070.73
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## LIABILITIES

Reserve for Claims and Suits.....	\$13,052,710.00
Reserve for Unearned Premiums.....	6,191,511.55
Reserve for Commissions on Outstanding Premiums.....	495,066.00
Reserve for Taxes.....	652,000.00
Reserve for Sundry Bills.....	280,000.00
Other Liabilities.....	724,533.58
<b>Voluntary Reserve</b> .....	<b>5,179,249.60</b>

\$26,575,070.73

CAPITAL FULLY PAID IN .....	\$2,500,000.00		
NET SURPLUS OVER ALL LIABILITIES ..	\$5,000,000.00	\$ 7,500,000.00	\$34,075,070.73

(Surplus to Policyholders \$7,500,000.00)

Securities carried at \$931,052.92 in the above statement are deposited as required by law.

Bonds and Stocks Valued on New York Insurance Department's Basis.

On the basis of December 31st, 1939 market quotations for all bonds and stocks owned this Company's total admitted assets would be increased to \$35,348,909.87 and Voluntary Reserve to \$6,453,088.74.

**ROYAL INDEMNITY COMPANY OF NEW YORK**

F. J. O'Neill, President

150 WILLIAM STREET

NEW YORK, N. Y.



A STOCK COMPANY ORGANIZED IN 1910 UNDER THE LAWS OF THE STATE OF NEW YORK

XUM



# The NATIONAL UNDERWRITER

February 8, 1940

## CASUALTY AND SURETY SECTION

Page Twenty-one

### Ill. Department Paves Way for Important Rulings

#### Approaches Auto Equity Rating, Retrospective, Fleet, Comprehensive

Preparatory to the issuance of a ruling on a number of points principally in the automobile field, the Illinois department has solicited the opinion of the individual companies on these matters and requests to know whether the companies would be interested in setting up a committee of 12 or 15 representatives to confer with the department.

The department sets forth the principal problems in which it is interested.

Many companies, the department states, have filed equity rating plans which the department feels to be discriminatory. The department states, however, that it has hesitated to order the discontinuance of their use because if the premiums that result can be justified by experience some other more defensible plan must be devised to produce substantially the same level of premium. The department states it is not disposed to take any action that will result in any unjustified rate increases.

#### Retrospective Rating Plans

Some companies have attempted to file retrospective rating plans for automobile fleets but none has as yet been submitted which the department could approve, the bulletin states. Such approval, however, might be given retrospective rating if a workable plan can be devised.

Several companies have filed with the department what they call comprehensive liability policies under which they propose insuring all forms of public liability insurance which would include automobile. The department has not approved such policies, believing that automobile policies should only be issued as separate contracts, particularly in view of the fact that the Illinois code does not provide for the filing of rates for any form of liability insurance other than automobile. If, however, there is a demand for such comprehensive policies it may be that some way can be found for their issuance without conflict with the code. The department states it has learned that in determining automobile fleet rates under any of the various plans filed judgment is often used in compiling the experience upon which the rate is predicated. In other words, not all losses sustained during the period for which experience is compiled are included in the calculation. The department states it feels that use of such "modification factors" is not in accordance with filings but if such modifications are proper, provisions for their use should be a part of the filing.

Fleets written on a gross receipt or  
(CONTINUED ON PAGE 43)

### Hope to Settle the Chicago Situation

#### Expected That Recommendation of the Sub-Committee Will Be Approved

Casualty general agents and managers in Chicago so far as the companies are concerned that are leaders in premium volume seem to be well satisfied with the recommendations that were agreed upon when the local managers met with the subcommittee of the casualty acquisition cost conference headed by Vice-president W. E. McKell of the American Surety as to liberalization of the Chicago plan for cutting down casualty acquisition cost. So far as the surety business is concerned, that seems to be pretty well ironed out to the satisfaction of the majority.

The casualty setup was not acceptable to the local people because they felt it was too restricted. In the original platform it is provided that a company could have a branch and two general agents, or if it did not have a branch it could have three general agents. In other words, there were three major units.

#### Division of the Local People

Some companies that had a large amount of business had as many as eight or nine general agents or even more. However, the contingent that visited New York City agreed upon five, they representing the companies with the heaviest premium volume. This is not entirely acceptable to the so-called "have nots." Some of them hoped to be the beneficiaries of general agents that would have to be sacrificed by the "haves." However, the latter have taken a number of years to build up their agency organizations and were not disposed to make such a drastic sacrifice.

It was pointed out to Mr. McKell's committee that Boston with 800,000 inhabitants was allowed three major units and the same restriction was placed on Chicago with three times the population. It was further stated that the companies could not expect to make drastic changes in Chicago and practically ruin a company's business at one fell swoop. It was suggested that the proper way to proceed would be to begin at the top and gradually work down.

There are a number of factors that entered into the acquisition cost that need attention. It was stated by the Chicago men that great harm could be caused the industry if an attempt were made to cure all the ills at once. The logical way to proceed, it was declared, was to take each violation and deal with it, getting that cured before taking up another. For instance, the committee was told that there should first be an agreement as to the number of major units. In view of the fact that some of the companies had built up a large business and exceeded the first proposal several times, all who were present agreed to the five units. It was stated to the committee that there are 30 some companies writing casualty business in Chicago that are not licensed in New York. Hence the competitive angle in Chicago is far sharper than in New York City.

Then it was agreed that there should be a reasonable measure of relief granted

### Guest Lecturers to Address College

HARTFORD—Nine executives of Hartford insurance companies have been secured as guest lecturers by the Hartford College of Law & Insurance to address students in the casualty and surety course, Professor L. R. Ringer, supervisor of educational extension Aetna Casualty & Surety, announced.

The guest lecturers and their subjects are: F. S. Garrison, Feb. 16, "Underwriting Miscellaneous Casualty Lines"; J. V. Randall, March 1, "Important Trends in the Casualty Business"; G. E. Peterson, secretary Travelers, March 15, "Underwriting Public Liability Insurance Lines"; W. S. Paine, manager engineering and inspection department Aetna Casualty, March 29, "The Place of Engineering in the Casualty Field"; A. W. Waite, assistant secretary Aetna Casualty, April 12, "Underwriting Workmen's Compensation Insurance."

### No TNEC Probe of Fire and Casualty

WASHINGTON—The fire and casualty side of the insurance business will definitely not be investigated by the Temporary National Economic Committee, it appears from Chairman O'Mahoney's statement this week in which he outlines TNEC's schedule of activities from now until it winds up its work and presents its report, running to some 80 volumes, late in November or in December.

It was originally intended to investigate all branches of insurance. The nearest the TNEC has come to getting into general insurance was when it questioned some witnesses on industrial accident and health policies. This, however, was incidental to the life insurance study. Lack of money has been the principal reason why the Securities & Exchange Commission, which presents the findings to the TNEC, has not gone outside of the life field.

O'Mahoney's statement mentions that he will not ask Congress to authorize any additional funds, but will request appropriation of \$90,000 already authorized but not appropriated, which confirms the improbability of any new studies being in contemplation.

where the contracts were made on a basis that exceeded the local agency commission. This would involve largely companies that have general agents in excess of the five. It was stated by many of those at the meeting from Chicago that the managers who had an understanding of the situation were inclined to be liberal with companies that had spent considerable money in building up an agency plant, realizing that they should be given time to get their houses in order and that the object of the movement was to reduce acquisition cost actually and not merely shift one general agent to a "have not" without any decrease whatever in general acquisition cost. It was felt that so far as violations were concerned, much could be accomplished by having a considerable amount of latitude left to the Chicago people and let them decide what  
(CONTINUED ON LAST PAGE)

### Union Mutual Life to Reinsure Mass. Accident

#### No Impairment of Cancellable Business—Non-Can Fund Is Projected

Hearing will be held Feb. 16 before the Massachusetts supreme judicial court on an agreement between Commissioner Harrington of Massachusetts and Union Mutual Life of Portland, Me., whereby the latter company would reinsure Massachusetts Accident. The plan contemplates that the non-cancellable accident and health business of Massachusetts Accident be continued under the supervision of the Massachusetts department



CHESTER W. McNEILL

by agreement with the Maine commissioner.

The charter of Union Mutual Life permits it to write accident and health business although the company has never taken advantage of that provision heretofore.

The agreement provides that the reinsuring company is to take over all contractual obligations of cancellable policies now on the books with no restrictions. As a consideration for the cancellable business, the reinsuring company is to pay 45 percent of the premium reserve as of the effective date of the agreement into a special non-cancellable fund for the benefit of non-cancellable policy owners. After allowance for operating and receiver's expenses, the balance of the assets of Massachusetts Accident are to be paid into the fund for non-cancellable policy owners of which there are about 5,000.

Fifty percent of all profits from the continuance and renewal of existing can-  
(CONTINUED ON LAST PAGE)

## Much Interest in Patent Insurance

### New Plan Has Been Worked Out by National Patent Corporation

Much interest has been taken in the announcement of the National Patent Corporation, 135 South La Salle street, Chicago, which is introducing patent insurance. Its purpose is to indemnify the assured for damages that may be assessed as a result of litigation alleging that he has infringed on patent rights of others. R. E. Kenyon, the president, states that the need for this type of insurance has been proved by the experience of the National Patent during the last 14 years, when it has issued service contracts and also afforded protection against patent infringement. The patent insurance policies will be written by the Seaboard Surety of New York for the National Patent as general agent.

President Kenyon states there are about 800,000 U. S. letters patent in existence. Naturally there must be honest differences of opinion that have to be settled by the federal courts. The patent office does not concern itself with validity in patent claims. It is estimated that there are about 15,000 to 20,000 patent suits pending, the outcome of which will be very hotly contested. The patent insurance policy pays damages that may result from litigation, thereby preserving the investment in the product or process.

The underwriting is based on a written opinion from the patent attorney of the applicant stating that the product or process to be covered does not infringe on the valid claims of any existing patent. This opinion is made a part of the policy. A complete description of the product or process must accompany the application for the coverage is extended only to the article thus specified. Policies are written in face amounts of \$5,000 minimum up to \$100,000. Larger amounts may be covered if underwriting factors warrant.

## Inter-Company Tax Accounting Is Simplified

NEW YORK—Most of the casualty companies that belong to the Executives association are following a simple, uniform formula this year in inter-company premium tax accounting. A simple form is employed for reporting reinsurance transactions among the cooperating companies and 2½ percent is paid on the net difference by the company that gave off more cessions than it took in. Thus no account is taken of the premium tax rate differences in the various states nor of the difference in rate of taxation in a single state as between the various lines of business.

The idea was conceived by the Association of Casualty Accountants & Statisticians of New York and was carried forward by the Association of Casualty & Surety Executives. It simplifies the accounting work materially and is meeting with favor. The companies were able to agree upon 2½ percent as a national premium tax average for practical purposes.

### Brooks Has Made Success

NEWARK—H. L. Brooks, recently elected vice-president and a director of Joseph M. Byrne Co., one of the oldest and most progressive agencies here, had been manager of its casualty department for 12 years, during which time the business developed rapidly. His first insurance connection was with the Compensation Rating & Inspection Bureau of New Jersey, which he joined in 1917, continuing for three years, when he resigned to become a member of the head office staff of Globe Indemnity, where he remained until he joined the Byrne Co. in 1928.

## No-Release Form of Medical Expense Approved in Illinois

The medical expense endorsement to the automobile liability policy approved in Illinois is the same as one of the two forms brought out by the National Bureau of Casualty & Surety Underwriters last summer. The form provides for payment to any person injured while in, on, entering or alighting from the insured automobile, the expense of necessary medical, surgical, ambulance, hospital and professional nursing service, and reasonable funeral expense if death results from the injury. Expenses must be incurred within one year from the date of accident. No payment is made in cases of injury or death of the named assured, but members of the assured's family are covered and so is the driver of the automobile, if other than the assured. Chauffeurs are not covered, but domestic servants are, provided they are not engaged in the operation, maintenance or repair of the automobile. Business employees of the assured are excluded.

The endorsement provides for a limit of liability to each person, which may be either \$250 or \$500. The rate charged by most companies is the same as that prescribed by the bureau. With a \$250 limit per person, the additional charge is 20 percent of the bodily injury liability premium with \$5/10,000 limits for the insured automobile, with a minimum additional premium of \$4 and a maximum of \$10. For a limit of \$500 per person, 25 percent of the bodily injury liability premium is charged, subject to a minimum of \$5 and a maximum of \$12.50. It is reported that a number of assured are adding this endorsement to existing policies on a pro rata basis, for which the minimum additional charge is \$1.

### Catastrophe Hazard Seen

There is considerable difference of opinion among companies as to the desirability of this endorsement. One large bureau company is pushing it aggressively and is believed to have written a rather large amount of business, but other offices are cold to it and are writing it only when requested. A prominent objection is the lack of an aggregate limit of liability per accident. Underwriters fear that they could be caught with a heavy claim should a car overloaded with high school students be involved in an accident and think that a few cases such as this would be sufficient to make this endorsement a heavy loser.

The first medical payments endorsements to be sold generally were used in Ohio by most of the non-conference stock companies domiciled there. These endorsements were similar to the ones used by the bureau, but provided for an aggregate limit of liability, usually \$1,000 per accident. These companies, however, never got their endorsements approved in Illinois and will use the bureau form approved by the department in that state. Some non-conference companies have been using a form covering injury to the named assured only, at a premium of about \$2. Since these forms supplement the medical payments endorsement, they will probably continue to use them.

The National Bureau has another form which was not approved in Illinois. This endorsement, which costs less than the one approved in Illinois, provided for the same benefits, but excluded the driver of the automobile and provided that the injured party must release the assured from all liability from the accident as a condition to collecting from the insurance company. This form has encountered more difficulty with state insurance departments than the other.

There was a misunderstanding on the part of some companies as to what the Illinois department is requiring in con-

## Retrospective Plan May Be Extended

### Proposal to Apply Rating to Risks of \$1,000 Premium or Over Is Filed

NEW YORK—Under a change in the retrospective plan for rating workmen's compensation risks prepared by the National Council on Compensation Insurance and filed by it with the various state insurance departments and with the independent bureaus, the plan to become effective April 1 will be available to risks paying an annual premium of \$1,000 or more instead of being restricted to premiums of at least \$5,000.

The proposed change not only will extend the retrospective method to many risks now too small to qualify but will tend to uniformity of requirements among the different states.

At the same time the rating factors for risks where the annual premium is in excess of \$150,000 are being graded by size of risk whereas at present uniform factors are used for all risks above \$150,000.

## Fake Accident Ring Caught in Toils

DALLAS—A swift cleanup of one of the southwest's most active and extensive fake accident rings brought into federal court here the past week 17 men and women on charges of using the mails to defraud insurance groups of large sums. Investigators had drawn a net of evidence so tightly around the ring that 12 of those arrested signed sworn confessions, and when the prisoners were arraigned in court 14 immediately pleaded guilty. Another entered a plea of guilty within a short time. The remaining two elected to stand trial and the case is now in progress here.

The method of operating, according to allegations in the indictment, included answering advertisements in newspapers for stenographers and typists. When applicants appeared at the office of the so-called master mind, he is alleged to have proposed to them a scheme for collecting money from health and accident and casualty companies by procuring insurance policies and then staging fake accidents with the help of other persons whom he could provide. The plan also called for the treatment of the injured person by one of the alleged ring's doctors, it is charged. The leader would then file claims with insurance companies and, according to agreement, would divide the proceeds with the "victim" of the fake accident.

George Lyles, alleged "master mind" of the ring, was given seven years in the federal penitentiary. Dr. Fred Wyatt and Dr. J. N. Pyle were fined \$1,000 each. Thirteen others were given 13 months each in the federal penitentiary and their sentences suspended. They had pleaded guilty and had testified against Lyles.

nection with the use of this form. Many of the companies interpreted the companies' position to mean that the endorsement must contain this sentence: "Claim payments under this endorsement shall not include the taking of full releases or a covenant not to sue." Most of the companies have inserted that sentence in their Illinois endorsement, but it develops that all that the Illinois department requires is that this provision accompany the filing of the form and that it need not be thus set forth in the endorsement itself.

The W. L. Thomas agency of the Massachusetts Bonding in Los Angeles was January leader among the company's agencies in accident and health business.

## Compensation, Safe Driver Refunds Are Taxed in Maryland

BALTIMORE—The casualty companies, in making their premium tax returns in Maryland, Jan. 31, reluctantly complied with the demand of the Maryland department that no deduction be made for safe driver reward payments in the automobile line nor of refunds under workmen's compensation experience rating. The attorney-general ruled that these refunds are not allowable as a deduction from gross premiums for premium tax purposes.

The Association of Casualty & Surety Executives undertook to get that opinion changed or modified, but without success. The law committee of the Executives association thereupon adopted a resolution recommending that the companies pursue a uniform method of filing the current Maryland premium tax return.

The Executives association recommended the companies complete the form that was prepared by the Maryland authorities but that they attach to that form a subsidiary return on the basis which the companies contend is proper. The headings in the subsidiary return are: Gross premiums as shown on annual statement; adjustment for payroll audit; adjustment for retrospective rating; adjustment for automobile policies; gross premium subject to premium tax; return premiums on canceled policies, and net taxable premiums.

The Executives association believes that in handling the matter in this way there will be graphically presented to Maryland authorities the view of the companies on the issue.

## Travelers Holds Parleys of Casualty Managers

About 57 casualty managers and assistant managers of Travelers from middle western and far western points gathered in Chicago Wednesday for a three day conference with about a dozen head office executives. A similar meeting was held at White Sulphur Springs, W. Va., last week, with about 59 managers and assistant managers participating.

The Chicago meeting is in charge of Tracy W. Smith and Arthur D. Spring, superintendents of agencies. Others from the head office attending are President L. E. Zacher, Vice-Presidents J. W. Randall and James H. Coburn, Secretaries L. J. Kempf, Allen R. Goodale, George E. Peterson and Fred S. Garrison, Advertising Manager C. W. Van Beynum and a number of others.

## Agency Failed to Cancel; Held for Loss Sustained

BUFFALO—A jury ruled here that an agency must pay damages suffered by a company when the agency neglects to follow instructions to cancel a policy, thus causing a loss to the company.

The St. Paul-Mercury Indemnity was given judgment against the Regal American Agency of Buffalo for \$15,183.

Testimony was offered that the St. Paul-Mercury in July, 1936, directed the Regal agency to cancel a number of policies on the ground it believed them to be poor risks. One of the holders of a policy that had not been cancelled was involved in an automobile accident that resulted in judgment against the company for \$12,399 and costs.

The company sued the agency for the amount lost by the transaction. The agency, declaring it had been instructed to cancel the policies, but had refused to do so, contended the company was guilty of contributory negligence by not canceling the policies direct. The company contended the agency had not refused to cancel, but had been dilatory in carrying out instructions.



## Ray Murphy Attacks Subversive "Isms" Welton Praises Inspection Feature of Truck Act

### Casualty Executives Official Cheered at Philadelphia Society Banquet

Ray Murphy, general manager of the Association of Casualty & Surety Executives, in a talk at the Philadelphia Insurance Society's annual banquet, said that America must return to the doctrine of individualism if national progress is to be restored and the democratic principles of human liberty and opportunity safeguarded. He referred to individualism as that which with due regard to the rights of other individuals and of society as a collection of individuals permits and requires the normal individual to work out his own destiny and pursue happiness in his own way.

Government, Mr. Murphy asserted, should exist not for the benefit of the state but for the individual. Efforts of government should be exerted toward the development of free enterprise in the hands of owners rather than in the direction of state control and state ownership.

### Murphy's Sentiments Cheered

Mr. Murphy was cheered by the 1,200 present, who made up an attendance that was one of the largest in the society's history, and was a tribute to "Uncle" John Donahue, resident vice-president Maryland Casualty, society president.

Mr. Donahue touched on the society's educational work, pointing out that it had educated hundreds of people. The lights were lowered and a picture of the society's home in Philadelphia—the old Shippen home—was flashed on the screen. He told of the membership campaign which had resulted in 102 new members last year, paying tribute to the membership chairman, N. B. Meade. A cable was sent to Frederick Richardson, former U. S. attorney General, in London expressing regret at his absence.

H. V. Smith, president Home group, was toastmaster. He expressed delight at being back home in his native Philadelphia.

Commissioner Matthew H. Taggart, Pennsylvania, and Deputy Commissioner C. A. Gough, New Jersey, were guests of honor. E. E. Lindner was general chairman of the affair, a post he has held for some time.

## F. J. O'Neill to Officiate as Toastmaster at Pittsburgh

F. J. O'Neill, president of Royal Indemnity and Eagle Indemnity, will serve as toastmaster at the banquet during Pittsburgh Insurance Day, Feb. 19. Dozens of head office executives have accepted invitation to participate in the events of the day. They include many who are always seen at these distinctive Pittsburgh meetings and a number who will attend for the first time.

## Employers Casualty Conference

DALLAS—Some 250 sales and claims representatives and safety engineers of the Employers Casualty attended the annual meeting here. Casualty Commissioner Waters was the chief speaker.

## Appleton & Cox Field Shifts

NEW YORK—Appleton & Cox, the marine firm, has made a number of middlewestern field changes. H. C. Bornkamp is transferred from Indianapolis to Kansas City; Wilson Pollack from Minneapolis to Indianapolis and Guy Egbert, who has been at the Chicago office, is assigned to Minneapolis.

Increase sales with **Poly Sales & Survey Analyzer**. \$2. Order from National Underwriter.

ROCKFORD, ILL.—Spencer Welton of Chicago, vice-president of Massachusetts Bonding, in addressing the banquet session during Rockford Insurance Day, Wednesday, spoke approvingly of the principles that were adopted in Illinois in formulating the new regulatory truck act. He praised the legislators for requiring inspection of trucks and the setting of mechanical standards. The owner of the truck, he said, must measure up to the underwriting standards of some company to be licensed as a truck operator.

That is the significant point of difference between the Illinois truck act and the compulsory automobile insurance scheme in Massachusetts. In the latter state the truck owner and the motor car owner who has been licensed is presumed to be a proper person to be operating a motor vehicle and, therefore, entitled to insurance on that vehicle and some company doing business in the state must provide it.

### May Be Tentative Step

Mr. Welton said, of course, that the Illinois truck act may prove to be a tentative step in the direction of statewide compulsory insurance for motor vehicles of all kinds. He recommended that the agents investigate fully what has happened in Massachusetts and then make it their business to pass that information on to the Illinois legislators. Aside from the fact that compulsory automobile insurance has failed of its original intent to reduce the number and severity of accidents, according to Mr. Welton, the continuous trend toward legislation of that character threatens to bring about compulsory insurance in other ways.

Insurance is threatened with monopolistic state bills, state bonding funds and a variety of measures tending to take insurance wholly or in part out of the realm of private enterprise. Mr. Welton said if it is proper for the state to go into any type of insurance activity it is proper for it to go into the other businesses.

Mr. Welton suggested the possibility that governmental monopoly in the end may be the same as consumers' cooperatives. The opportunity must be preserved for exercising individual initiative to secure for the capably industrious the reasonable rewards ordinarily accruing to those engaged in private enterprise, he said.

### ILLINOIS ENDORSEMENTS ISSUED

Prescribed endorsements for automobile liability policies on trucks required to be insured under the new Illinois trucking law have been issued. They are similar to those required by the Interstate Commerce Commission and other state commissions on equipment under their jurisdiction. The liability of the company is made absolute as regards third parties, the company agreeing to pay any damages for which the assured is liable, subject to reimbursement by the assured if a policy condition is violated. This absolute liability applies only to bodily injury liability up to \$5,000 per person and \$10,000 per accident and property damage up to \$5,000 per accident and only to accidents occurring in Illinois. The department of public works must be given 30 days notice of cancellation.

The important difference between the situation in Illinois and in other states is not in the coverage required, but in the number of vehicles affected. The Illinois law is practically a compulsory insurance law, requiring insurance of all but a few excepted classes of trucks, chiefly publicly owned vehicles. Even farm trucks are not exempted in Illinois. It is believed that this law places Illinois second only to Massachusetts in compulsory insurance.

## Illinois Federation Sponsors Repeat Engagement



O. J. ARNOLD

Last October O. J. Arnold, president Northwestern National Life of Minneapolis, addressed a thousand guests of the Illinois Chamber of Commerce. This message was so favorably received that he has again been selected as the principal speaker at the annual luncheon of the Insurance Federation of Illinois to be held Feb. 20 at the Union League Club in Chicago.

It took the combined efforts of his friend, Chas. B. Stumes of the Penn Mutual Life and the program committee of the Insurance Federation to secure this speaker, as Mr. Arnold was obliged to postpone a Florida vacation to comply with their urgent request.

Mr. Arnold's talk, entitled "Supervision or Supervision," will reflect his grasp of the facts of the entire insurance business and its relation to business of the nation.

President Arnold exudes faith and confidence in the business of insurance and holds that national recovery must be based on national enterprise but that the nation must be made consciously aware of the difference between "venture capital," or money available for promotional ideas, and "credit capital," which is money held in trust.

Only 500 seats are available and reservations are already pouring into the office of the secretary.

Casualty offices in Chicago are swamped with preparing and filing certificates for risks now on the books but so far little new business is reported as a result of this law. It may be that writings will increase as owners of private trucks, now uninsured, realize that they come under this law, although the desirability of much of the present uninsured risks is questionable. Four copies of the certificate are required and the certificate must show whether the filing is on specific equipment, all owned equipment with automatic coverage on new or unlisted equipment or blanket on all owned or operated equipment.

## Mrs. Hauptmann's Verdict

NEW YORK — Mrs. Ann Hauptmann in her action to recover \$100,000 from Frank Moser for injuries suffered by her 6-year-old son, Manfred, in an automobile accident on May 4, 1938, was awarded \$25,500 by a jury in the supreme court, the Bronx. Of the total amount, \$2,000 was allowed Mrs. Hauptmann, and \$23,500 to her son. Counsel for the defendant in the action moved to have the verdict set aside as contrary to the evidence and as being excessive. The plaintiff is the widow of the late Bruno R. Hauptmann, who was executed in Trenton, N. J., April, 1936, for the kidnaping and murder of Charles A. Lindbergh, Jr.

## Leon S. Senior Dies in New York

### Compensation Rating Board General Manager Held Distinguished Place

NEW YORK—Casualty underwriters were shocked by the sudden death of Leon S. Senior, general manager of the Compensation Insurance Rating Board, last Saturday, for while it was known he had been unwell for some time he was at his office and also attended a conference of the industrial commission the day before he died. He is survived by his wife and two daughters. Mrs. Senior has been confined to a hospital for some time and it is probable worry over her condition hastened his death.

As directing head of the Compensation Insurance Rating Board since its formation in 1914, and previously for several years with the department, Mr. Senior was one of the best known figures and most highly esteemed in casualty underwriting circles.

During his connection with the department, he was recognized as its most competent casualty examiner, and all particularly hard jobs were assigned him. Possessed of an analytical mind and a constant student of the business, he was thorough in his examination, though his reports never dealt with inconsequential matters. While he knew his subjects as few others knew it, he was never dogmatic in presenting his views, but respected the opinions of others.

### Inspired Accident Inquiry

He is credited with having inspired the intensive investigation of industrial accident writing companies back in the early 1900s, which resulted in sweeping reforms in that division of the casualty business. In the course of his study of industrial accidents, he became convinced that industrial workers were not accorded proper protection under the old employers' liability law, and foresaw the day when special statutes affecting workmen's compensation would have to be enacted.

When such laws were enacted in New York in 1914, Mr. Senior was recognized as the best equipped man to handle the rate-making body formed at that time, a post he continued to hold through the years.

### Protest Off-Manual Filings

OKLAHOMA CITY—The National Bureau of Casualty & Surety Underwriters has asked the state insurance board to reconsider its approval of four private passenger automobile rate filings below the manual rate filed by the National Bureau and the Mutual Casualty Insurance Rating Bureau. The independent filings objected to are Equity Mutual, 25 percent below manual on class A cars and 15 to 20 percent below manual on class B; Connecticut Indemnity, 30 percent and 25 percent off; Utilities of St. Louis, 30 percent and 22 percent off, and American Automobile, 10 percent and 30 percent. The petition of the bureau maintains that the manual rates are equitable and justified by experience and that any favorable experience of these four companies which may exist is not based upon sufficient volume to be used as a standard.

R. H. Savage, local attorney for the bureau, filed the protest. It is expected that A. E. Spottke, New York, manager automobile division of the bureau, will attend the hearing, which probably will be held about Feb. 14.

### To Discuss Subway Problems

Magnus Gunderson, consulting structural engineer, will discuss problems in construction of the Chicago subway at the meeting of the Casualty Underwriters Association of Chicago Feb. 14.

## Accidental Deaths 800 Fewer in 1939 Than During 1938

Fatalities as a result of accidents totaled 93,000 in 1939, an improvement of 805 over 1938, the National Safety Council estimates. The ratio of 71 per 100,000 is the best since 1900 with the exception of 1921 and 1922.

Motor vehicle deaths were 32,600 as compared with 32,582. On a mileage basis, the ratio was the best on record, being 12.2 per 100,000,000 miles.

Public carrier accident deaths were 15,000 as contrasted with 16,000 in 1938. Home accidents numbered 32,000 as contrasted with 31,500 and "occupational" 16,000 compared with 16,500.

The estimated economic loss was \$3,300,000,000 in 1939 including wages lost, medical expenses, overhead cost of insurance, property damage, motor vehicle accidents, and fires.

Accidental deaths among persons 65 years or older increased about 5 percent to a total of nearly 28,000, but all other age groups showed reductions. Deaths of children under 15 totaled 13,000, a drop of approximately 5,000. Adults 14 to 64 years old totaled 5,200, a decrease of 2,000.

Non-fatal home accidents increased to a total of approximately 4,700,000, a rise proportional to the death increase. The

1939 total of wage losses, medical expense and overhead cost of insurance resulting from home accidents was estimated at \$600,000,000. Fatal falls accounted for 17,000 home accident deaths in 1939, more than half the total. This is an increase of 500 or 3 percent over 1938. Burns and fires killed about 5,700 people, 400 more than the previous year.

Occupational accidents resulted in 16,000 deaths and 1,300,000 injuries involving permanent or temporary disability. Wage losses, medical expense and the overhead cost of insurance totaled about \$650,000,000.

## Reviews Boiler, Machinery Cover

Craft W. Voneiff, regional supervisor Ocean Accident, spoke on the development of boiler and machinery insurance before the Insurance Women of Milwaukee. He explained the coverage offered under the power plant policy, illustrating the various types of boilers and pressure vessels insurable. He also gave a comparison of the furnace explosion covered under both the fire policy and the power plant casualty policy, pointing out that a fire policy would not cover damage to property outside of the insured premises. In the event of a furnace explosion causing serious damage to adjoining property

the loss would not be covered under a fire policy, whereas under the casualty policy this coverage is afforded.

## Summers Made Special Agent

The Commercial Standard of Fort Worth has appointed J. W. Summers, for several years home office underwriter, as special agent in the outlying territory of the Houston service office.

## State Farm Companies Rally

The State Farm insurance companies of Bloomington, Ill., will hold their annual agency convention at the Hotel Stevens, Chicago, Feb. 19-20. The annual agency banquet will be held the evening of the first day.

H. M. Starling, manager of the Washington office of the Association of Casualty & Surety Executives, has been appointed a member of the Traffic Advisory Council of the District of Columbia.

Nathan Valentine of the Michigan Mutual Liability home office has been added to the faculty of the University of Detroit extension division to teach the new course on insurance principles just started.

## Insurance Executives Speak at Newark Safety Conference

NEWARK—A number of insurance executives will take an active part in the Eastern Safety Conference here Feb. 14-15.

T. A. Fleming, conservation supervisor National Board, will speak on "Ashes Pay No Dividends," A. R. Lawrence, chairman Compensation Rating & Inspection Bureau of New Jersey, on "What Is Causing the Increase in Accidents?" F. E. Morris, manager engineering department Liberty Mutual, on "Safety in Spite of the Worker," and in the "Information Please" program, W. S. Paine, Aetna Casualty, vice-president for engineering of the National Safety Council, will answer questions on "Engineering."

Among the insurance men on the general managing committee are W. A. Weir, Commercial Casualty, Newark; A. O. Jackson, Aetna Life, New York City, and Mr. Lawrence.

## J. H. Russell in New Berth

SAN FRANCISCO—James H. Russell, for the past four years assistant vice-president in charge of northern California production for the Associated Indemnity and Associated Fire & Marine, has been appointed vice-president and manager of the northern California office of the Colonial Mutual Compensation.

## Seek Burglary Rate Reduction

ATLANTA—Based on a loss ratio of 37 percent on the five-year period 1934-1938 inclusive, the Atlanta Association of Insurance Agents has petitioned the National Bureau of Casualty & Surety Agents to authorize a reduction in burglary rates proportionate to the experience. Members of the association also have been asked to lay the request before their individual companies. Premiums for the five years were \$240,330, with losses of \$80,600.

## R. I. Mutual Liability Rally

PROVIDENCE, R. I.—Forty agents of Rhode Island Mutual Liability gathered here for the first annual sales meeting under the new organization headed by R. G. Weston, president. Top production prize was awarded to the M. J. Gallagher agency of Pawtucket. That agency was represented at the meeting by Wilfred St. Louis. Other awards were to C. F. Murphy, Newport, second; Arthur Addeo, Providence, third; and Russel Lenihan, Westerly, fourth.

## Heile Cincinnati Claims Head

CINCINNATI—New officers of the Cincinnati Claims Association are C. E. Heile, Employers Liability, president; J. H. Moesta, U. S. Fidelity & Guaranty, vice-president, and E. E. Lary, Glens Falls Indemnity, secretary-treasurer. The next meeting will be Feb. 9.

## To Hear Traffic Engineer

DES MOINES—Harry Steadman, Des Moines city traffic engineer, and a member of the state advisory sub-committee on highway safety, will address the Des Moines Casualty & Surety Club Feb. 12.

## Burglary Group Meets

The Burglary & Plate Glass Underwriters Association of Chicago met Wednesday. A round table discussion was held with W. A. Coan, manager American Indemnity, presiding.

Ray Murphy, assistant general manager of the Association of Casualty and Surety Executives, will address the Adcraft Club of Detroit, Feb. 23. Mr. Murphy, who is a past national commander of the American Legion, also will attend a meeting of the legion's Iowa department executive committee and the annual department commanders and adjutants conference, at Des Moines, Feb. 25. The following day he will address the conference banquet.

# Compelling Facts

## ABOUT THE EAGLE AT THE CLOSE OF 1939



ASSETS	LIABILITIES
Cash in Banks.....\$ 460,689.39 United States Government Bonds..... 5,172,292.98 Other Bonds ..... 1,084,403.57 Stocks ..... 1,678,878.00 Accrued Interest ..... 43,527.25 Premiums in Course of Collection (Under 90 days)..... 1,021,906.66 Other Assets ..... 12,680.82	Reserve for Claims and Suits.....\$3,319,288.00 Reserve for Unearned Premiums..... 2,129,860.87 Reserve for Commissions on Outstanding Premiums ..... 204,198.30 Reserve for Taxes ..... 146,000.00 Reserve for Sundry Bills..... 55,000.00 Other Liabilities ..... 109,093.11 Voluntary Reserve ..... 1,010,938.39 CAPITAL FULLY PAID IN.....\$1,000,000.00 NET SURPLUS OVER ALL LIABILITIES ..... 1,500,000.00
TOTAL ADMITTED ASSETS.....\$9,474,378.67	\$9,474,378.67

(Surplus to Policyholders \$2,500,000.00)

Securities carried at \$534,523.34 in the above statement are deposited as required by law. Bonds and Stocks Valued on New York Insurance Department's Basis. On the basis of December 31st, 1939 market quotations for all bonds and stocks owned this Company's total admitted assets would be increased to \$9,739,570.12 and Voluntary Reserve to \$1,276,129.84.




# EAGLE INDEMNITY COMPANY OF NEW YORK

F. J. O'Neill, President

★ A STOCK COMPANY ORGANIZED UNDER THE LAWS OF THE STATE OF NEW YORK IN 1922 ★





**GLASS INSURANCE**  
**A LOYALTY GROUP REPLACEMENT**

Boarded up show windows  
 have no sales promotion value!

LOYALTY GROUP offers its agents and brokers  
 the broad COMPREHENSIVE GLASS POLICY  
 plus ability to effect replacements promptly  
 backed by over sixty-five years experience.



**FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY**  
 The Girard Fire & Marine Insurance Company  
 National-Ben Franklin Fire Insurance Company  
 Pittsburgh Underwriters • Keystone Underwriters  
 Milwaukee Mechanics' Insurance Company

**The Concordia Fire Insurance Co. of Milwaukee**  
 Royal Plate Glass & General Ins. Co. of Canada  
 The Metropolitan Casualty Ins. Co. of N. Y.  
 Commercial Casualty Insurance Company

**Western Department**  
 844 Rush St.  
 Chicago, Illinois

**Southwestern Dept.**  
 912 Commerce St.  
 Dallas, Texas

**Pacific Department**  
 220 Bush St.  
 San Francisco, Calif.

**HOME OFFICE**  
 10 Park Place  
 Newark, New Jersey

**Foreign Department**  
 111 John St.  
 New York, New York

**Canadian Departments**  
 461 Bay St., Toronto, Ontario  
 404 West Hastings St., Vancouver, B. C.

FIRE · MARINE · CASUALTY · SURETY

*Loyalty Group*  
 INSURANCE

## WORKMEN'S COMPENSATION

### California Hearing Is Continued

SAN FRANCISCO—Hearings on the demand of the California State Fund for drastic reductions in compensation rates have been continued to an unnamed date to permit Daniel W. Burbank, attorney for the National Bureau of Casualty & Surety Underwriters and the California Association of Insurance Agents, and Donald Gallagher, fund attorney, to secure additional information regarding present loading in the California figures.

Considerable conflict developed when Mr. Gallagher argued that the commissioner should consider surplus and investment earnings of reserves, etc. in fixing adequate rates. Mr. Burbank replied that this could not be permitted due to the vagaries of the investment market.

The continuation, announced by Commissioner Caminetti, followed three solid days of testimony presented by William Leslie, general manager National Bureau; John J. Gallagher, fund secretary; Elmer White, national councillor California Association of Insurance Agents; E. B. Mills, controller Fireman's Fund group, and others.

### Golling Succeeds Kleffman

ST. PAUL—Richard A. Golling, St. Paul attorney, has become secretary and actuary of the Minnesota compensation insurance board, succeeding A. H. Kleffman, whose term expired Feb. 1. Mr. Golling has been an administrative assistant to Governor Stassen.

### B. R. T. Fights Mississippi Bill

JACKSON, MISS.—Opposition of the Brotherhood of Railroad Trainmen to the workmen's compensation act in-

troduced in the house may mean that the proposal will be considerably delayed in reaching the floor of the house. The bill was sent to the labor, insurance and judiciary committees, and must be approved by each.

Members of the house insurance committee indicated they did not believe they could redraft the bill to meet the union's requirements.

### Relief Worker Not Covered

BOSTON—A person receiving public welfare aid from a city or town, and working in exchange for this assistance, is not an employee within the meaning of the Massachusetts workmen's compensation act, the full bench of the state supreme court held in a case appealed by the American Employers.

### Multi-Split Plan Approved

NEW YORK—Approval of the multi-split rating plan for workmen's compensation is understood to have been given by the governing committee of Massachusetts Rating & Inspection Bureau, and that it recommended sanction of the plan by the insurance department.

### Agents Study Washington Fund

OLYMPIA, WASH. — In view of the recent grand jury investigation report on the Washington monopolistic workmen's compensation fund, which disclosed some \$12,000,000 deficit, President H. T. Anthony of the Insurance Agents League of Washington appointed a special committee headed by Harold N. Mann of Tacoma to study developments.

### Smith Heads State Body

COLUMBUS, O.—The Casualty & Surety Managers Association of Ohio,

at its annual meeting, elected William Smith, Hartford Accident, Columbus, president. Other officers are: Charles Stewart, Massachusetts Bonding, Cleveland and F. R. Middleton, National Surety, Columbus, vice-presidents; Carroll Herwig, Fidelity & Deposit, Cleveland, secretary-treasurer. C. W. McNeil, American Surety, Columbus, the retiring president, was elected chairman of the executive committee. Other members are: John H. Parks, Royal Indemnity, Cleveland; Earl Schier, American Surety, Cincinnati, and Harold De Land, New York Casualty, Cleveland.

### Southern California Election

LOS ANGELES—The Casualty Insurance Association of Southern California, at its annual meeting elected: President, G. S. McIntosh, Phoenix Indemnity; vice-president, Paul S. Emme, Fidelity & Casualty, and secretary-treasurer, A. E. Walker, Eagle Indemnity, who was reelected.

### Surety Group Meets Feb. 13

The Surety Underwriters Association of Chicago will hold its monthly luncheon meeting Feb. 13 at the Union League Club. Al Korte, W. A. Alexander & Co., will preside.

### Indict Former Special Deputy

F. J. McDermott, a former special deputy insurance superintendent of New York, has been indicted along with four other men and a corporation on charges of mail fraud and conspiracy. They were alleged to have attempted to defraud insurance companies, banks, and investment trusts of \$3,334,000 by offering bonds on non-existent corporations as security for plans which were to be used to gain control of a number of large corporations.

S. J. Hosted and A. J. Keon, according to the indictment, posed as officers of 15 non-existent corporations, for which the fake bonds were printed, while W. A. Stegman, a certified pub-

## SURETY

### Tavern Bonds Hard to Get in St. Louis

ST. LOUIS—The ruling of the Missouri supreme court that bonds posted by the proprietors of taverns licensed by the state are subject to forfeiture in their entirety for the slightest infractions of the liquor laws, has resulted in the cancellation by surety companies of 550 such bonds in St. Louis and St. Louis county during the past two months.

The net result is that about 100 taverns have been closed, R. F. Surkamp, St. Louis chief inspector for the state liquor control department, has revealed.

Many of the tavern proprietors who were inclined to be a little lax in their observance of rules and regulations have met with considerable trouble in having their bonds renewed or in securing new bonds. Some, on showing good cause, have had the bonds renewed by the companies that cancelled out. Others have been compelled to fall back on friends who own property to provide the \$2,000 bond required by the state.

There are about 300 tavern owners endeavoring to obtain renewals of their bonds at the present time. The control department is allowing them 30 days in which to post new bonds, following the expiration of those cancelled.

### Mendenhall Boston Speaker

BOSTON—At the annual luncheon of the Surety Underwriters Association of Massachusetts, W. K. Mendenhall, research manager Towner Rating Bureau, spoke on "Fidelity Coverage, including Forgery, for Banks."

lic accountant, prepared the financial statements of the fictitious companies.



## GENERAL REINSURANCE CORPORATION

*Casualty - Fidelity - Surety*

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO



## CHANGES

### Employers Names Two New Managers

E. C. Greer, formerly associate resident manager of the Michigan department of the Employers group, has been promoted to resident manager, succeeding C. H. Garrison, who has resigned after many years of service.

Mr. Greer was in charge of the insurance department of Maxwell Motor Co. and Chalmers Motor Car Company until they were taken over by Walter Chrysler. He then went with the Detroit Insurance Agency as manager. In 1927 he went with Garrison & Smith, then general agents of Employers Liability. This office became a branch office of the Employers in 1928. He was appointed associate resident manager in 1936.

W. P. Arnold has been promoted to manager of the central New York service department at Syracuse. He went with the home office of the Employers group in 1934 and later was appointed special agent for northern New York with headquarters in Buffalo.

### Emmco Makes Appointments

Emmco and Emmco Casualty, South Bend, Ind., has appointed Millard F. Jones as branch manager at Indianapolis. Mr. Jones was formerly special representative of Utilities of St. Louis in Indiana. Previous to that he represented Commercial Standard in Indiana.

W. C. Hepler, formerly secretary of Mid-America Casualty of Cedar Rapids, has been appointed supervising special agent with headquarters at the home office.

### Anderson Assistant Secretary

John I. Anderson, for the last six years assistant manager of the fidelity, public official and depository bond department of the Maryland Casualty, has been named an assistant secretary. He has been in the same department of the Maryland since he joined the company in 1916, handling public official bonds.

### H. R. Price, Jr., Named Assistant

Holton R. Price, Jr., has been appointed assistant manager of the St. Louis office of United States Fidelity & Guaranty. Since 1931 he has been superintendent in the casualty department and has been active in the agency and development end. Previously he was with the W. H. Markham & Co. agency of St. Louis.

### Flaherty Heads Bond Division

James Flaherty has resigned from the Continental Casualty's Chicago branch and has been appointed in charge of bond underwriting by J. J. Elligette, manager western department Manufac-

turers Casualty, Chicago. Manufacturers Casualty secured amendment to its charter last year to write fidelity and surety business and is just initiating that line in Illinois. Mr. Flaherty has been connected with Continental Casualty for the last three years and before that was for seven years with the Chicago branch of the Massachusetts Bonding. He went to the Manufacturers Casualty home office to spend a short time receiving instructions.

### Field Men for Baldwin Agency

The H. C. Baldwin agency of Indianapolis has appointed C. E. Scheidker

as special agent for Indiana and W. L. Fabel as special agent in Illinois for long haul truck and bus business.

W. L. Pier, vice-president Fort Worth National Bank, has been elected a director of Commercial Standard of Fort Worth.

Paul D. O'Neil, well-known casualty claims man, has joined the office of W. E. Severance, independent adjuster in Los Angeles. He has been with the Employers group and Toplis & Harding.

R. M. Abrahamson, Manson, Ia., has bought the agency of A. J. Maher.

### Managers' Conferences of Aetna Casualty on Gulf

The annual managers conference of Aetna Casualty is being held in two sections at the Edgewater Gulf Hotel, Edgewater Park, Miss. The first group will gather commencing Monday, Feb. 19, and they will remain in session throughout the entire week. The next group will appear on the scene Feb. 26. There will be a large head office delegation on hand.

J. S. McCunniff has purchased the agency of the late G. B. Critchett, Grinnell, Ia.



Licensed in  
All States

## Condensed Financial Statement of CENTRAL SURETY AND INSURANCE CORPORATION

R. E. McGinnis, President

HOME OFFICE

KANSAS CITY, MO.

As Certified to the Missouri Insurance Department December 31, 1939

### ADMITTED ASSETS

Cash	\$ 1,153,487.54
Bonds:	
U. S. Government (Direct or Guaranteed)	\$2,247,370.26
State and Municipal	2,703,421.09
Railroad	64,470.31
Total Cash and Bonds	\$ 6,168,749.20
Central Surety Fire Corporation Stock	521,552.91
Real Estate	158,194.48
Mortgage Loans on Real Estate (First Liens)	114,291.65
Premiums in Course of Collection (Under 90 Days)	719,461.41
Accrued Interest on Investments	45,897.28
Other Admitted Assets	13,423.08

**TOTAL ADMITTED ASSETS** \$ 7,741,570.01

### LIABILITIES

Reserve for Claims	\$2,292,253.11
Reserve for Unearned Premiums	1,884,780.60
Total Claim and Premium Reserves	\$ 4,177,033.71
Reserve for Commissions, Taxes and Other Liabilities	448,756.09
Voluntary Contingency Reserve	150,000.00

**Total Reserves** \$ 4,775,789.80

Capital	\$1,000,000.00
Surplus	1,965,780.21

**Surplus to Policyholders** \$ 2,965,780.21

**TOTAL LIABILITIES** \$ 7,741,570.01

Securities carried at \$630,554.80 in the above statement are deposited for purposes required by law.

Bonds are carried on amortized basis. Market value of bonds exceeded their book value at December 31, 1939, by \$216,216.75. No bonds were in default either as to interest or principal at December 31, 1939.

Market value of invested assets of Central Surety Fire Corporation exceeded their book value at December 31, 1939, by \$34,215.24.

### Safety Engineer Wanted

Must be thoroughly trained and experienced in handling all classes of compensation, elevator and liability inspections. Between 30 and 50 years of age. Must be capable of addressing safety meetings, organizing accident prevention work and discussing and selling management of assured on recommendations and program. Give age, experience, other qualifications, references and salary desired. Address L-14, The National Underwriter, 175 W. Jackson Blvd., Chicago.

### PAYROLL AUDITOR WANTED

Wanted—Casualty payroll auditor, for western Pennsylvania territory: Pittsburgh resident preferred. Address L-15, The National Underwriter, 175 W. Jackson Blvd., Chicago.

## ACCIDENT AND HEALTH

### Seven Speakers for Chicago Congress

Seven headliners are scheduled to talk at the Chicago Health & Accident Association's annual sales congress Feb. 13 at the Morrison Hotel, Chicago. Raymond K. Lake, W. A. Alexander & Co. agent who has produced an application a day for four years, will tell how to prospect effectively. Armand Sommer, assistant to the vice-president Continental Casualty, will tell what the "field underwriter" should know in order to do the best job in selling.

Harold L. Bredberg, vice-president National Service & Appraisal Co., will talk on the inspection of accident and health risks.

J. M. Smith, head of the Continental Casualty's disability division, will discuss group franchise and individual hospitalization policies and the opportunity in these fields.

M. H. Dochin of the Travelers' Chicago office will tell of the best ways to make a successful approach. He will discuss proven technique to use in actual sales demonstrations.

Al H. Bluhm, a countrywide leader of the Aetna Life in accident sales, will tell why he sells accident insurance. He will explain his successful technique in making his presentation.

Thomas J. O'Neil, Pacific Mutual Life, will represent the Chicago Claim Association and tell what is really paid for under medical reimbursement.

George R. Robson, Connecticut General, is general chairman of the congress, and W. Welsh Pierce, Massachusetts Indemnity, is in charge of ticket sales.

Local agencies and managers are planning to reserve special tables for

their producers for the sales congress, which will start with a luncheon.

### Hospital Insurance, Public Relations Conference Topics

Hospital insurance and public relations claimed equal attention at the mid-winter meeting of the Health & Accident Underwriters Conference in Chicago.

Presenting an analysis of new hospital policy forms, V. E. Nutt, Washington National, said the trend in the hospital insurance field is toward placing the business on a sounder underwriting basis. The rapid expansion of hospital insurance in the past three years necessitated some experimentation, but policy forms now being issued are generally believed to be attractive from sales standpoint as well as profitable from the carrier standpoint.

Public relations came in for considerable discussion with many suggestions for a more practical development of this important phase of the accident and health business. Pending a report by the public relations committee, no definite action was taken.

Reports of chairmen of several committees were given, including a brief summary of programs arranged by the agency management committee and the general convention committee for the annual meeting of the conference next June.

### Organizations Name Cal. Group Committee Members

SAN FRANCISCO—Organizations interested in the promulgation of standard provisions for group accident and health insurance have submitted the

names of their representatives on the committee to be appointed by Commissioner Caminetti to draft such provisions for use in California.

The Group Association, accident and health section, has named Arnold Brown, Metropolitan Life, San Francisco; Bureau of Personal Accident & Health Underwriters, George W. Kemper, Fireman's Fund Indemnity, San Francisco; Health & Accident Underwriters Conference, Marcus Gunn, California-Western States Life, Sacramento.

Harold Haas, deputy insurance commissioner, will serve as chairman of the committee, to which Commissioner Caminetti will appoint three more members "at large."

### Suit Against Cleveland Hospital Group Dismissed

COLUMBUS, O.—Judge King of the Franklin county common pleas court has dismissed a suit brought by the Ohio department against the Mutual Hospitalization Association of Cleveland, in which the department sought to take over the company for liquidation. The department had held that, based on its investigations, the association was insolvent and its expenses exceeded the costs of management laid down by law.

Superintendent Lloyd testified that the association's underwriting losses were mounting; that in 1939 it lost 20 cents on each \$1 premium collected, and that the expense ratio exceeded the authorized 40 percent. Judge King said there was an honest dispute relative to the question of expense.

In his opinion Judge King said: "There are 12,000 policyholders and 75 percent of the 12,000 are monthly—75 percent just policyholders from month to month. Well, my goodness, how much are they going to lose? If it is only a monthly policyholder, they will only lose what they have to pay—\$1.75 cents or 90 cents a month."

Judge King said no claims had been

### Joins Provident

R. D. Henning, who has been appointed to the home office staff of the Provident Life & Accident's accident department, was formerly with the Continental Casualty. He will devote his attention primarily to franchise, accident and health business.

He is well known to many of the insurance fraternity.



R. D. HENNING

denied and there had been no complaints from anyone but the insurance department.

Continuing, he said: "Where is the risk? Where is the hazard? I just cannot see, assuming that they are insolvent \$8,000, where there is any hazard to the policyholders. They are the interested ones."

### Covers Medical Attendance

Hoosier Casualty is issuing three new medical attendance endorsements which may be attached to any full coverage policy, providing for loss of time benefits. All three forms provide reimbursement for cost of medical attendance not to exceed \$3 per house call or \$2 per call at doctor's office or in hospital, with a maximum of \$10 a week the first four weeks and \$6 per week thereafter and a limit of \$300 for any one disability. For form 901 (accident only) the annual premium for class AAA is \$4.20; form 902 (sickness only), effective after 30 days, all classes, \$7.80; form 903 (accident and sickness), effective at once for accidents and after 30 days for sickness, class AAA \$12. The maximum age is 60 for males and 55 for females.

### Many Respiratory Disease Claims

Companies writing health insurance are bombarded with claims for respiratory diseases at this time of the year. January was a bitter month and February is carrying on at the same high rate. There is considerable grippe and influenza, together with other diseases of like nature. So far the period of claim has not been on the average very long.

### Complaints Registered

Complaints regarding the American Group Assurance Company, 526 Law building, Kansas City, Mo., were published in the Kansas City Better Business Bureau's bulletin, 602 Lathrop building, Kansas City. It states that the American Group is not licensed as an insurance company but issues membership certificates agreeing to pay, subject to conditions and limitations, natural and accidental death benefits. It also provides for certain accident disability benefits for loss of limbs and eyes. Certificates are issued to individuals and family groups. John H. Zimmerman is president.

### Seltzer Agents Among Leaders

Five agents of the M. L. Seltzer agency of the Aetna Life in Des Moines were among the 50 leading accident and health producers of the company for 1939. They were George Clarkson and Miss Ella Koch of Des Moines; S. A. Greenstone, Sioux City; R. N. Howes, Clinton, and M. M. Thompson, Cedar Rapids.

### W. W. Rice Exclusive Agent

The aviation personal accident policy that was recently issued by Federal Life is being sold exclusively by the W. W. Rice Company, local agency of Chicago, which has formed a division known as the National Aviation Agency for the purpose. The policy sells for \$5.50. The benefits are \$5,000 for loss of life or double dismemberment or \$2,500 for

## TRINITY UNIVERSAL INSURANCE COMPANY DALLAS, TEXAS

### Financial Statement

December 31, 1939

ASSETS	LIABILITIES
Cash and U. S. Government Bonds \$1,070,097.28	Reserve for Losses and Claims \$ 257,524.50
State, County and Municipal Bonds 1,670,512.30	Special Reserve for Liability
All Other Bonds 100,337.90	Claims 969,110.03
Stocks 1,792,119.00	Reserve for Unearned Premiums 2,214,168.07
First Mortgage Loans on Real Estate 323,886.05	Reserve for Taxes 159,827.57
Collateral Loans 125,000.00	Reserve for Other Liabilities 52,167.26
Site for Company's Office Building 144,000.00	Commissions Payable 212,512.66
Other Real Estate 250,806.39	All Other Liabilities 7,270.10
Premiums in Course of Collection 697,949.58	Capital \$1,000,000.00
Premium Notes Receivable 99,637.99	Surplus 1,428,996.96
Accrued Interest 26,011.98	Surplus to Policyholders 2,428,996.96
All Other Admitted Assets 1,218.68	Total \$6,301,577.15
Total Admitted Assets \$6,301,577.15	

Bonds at Amortized Value, Stocks at Market Values, December 31, 1939

On the basis of December 31, 1939 market quotations for all bonds and stocks owned, the total admitted assets and surplus would be increased by \$131,715.87



single dismemberment in the wrecking of any licensed transport plane piloted by a licensed pilot traveling between regularly established licensed airports in the United States. Wrecking is defined as any accident damaging the plane to the extent that repairs are necessary to restore it to its previous condition.

#### Great Northern in High Gear

The annual anniversary month campaign of Great Northern Life of Chicago reached a high pitch this week, as Monday was the birthday of President H. G. Royer and Wednesday the natal day of Vice-president C. O. Pauley. Both of these executives were born in the same year and each February the agency force gets up special steam in their honor.

#### License Michigan Medical Service

LANSING, MICH.—License has been issued by the insurance Michigan department to the Michigan Medical Service, Detroit, a co-operative association organized under the new law which gives the insurance department limited supervisory power but does not bring the organizations under the insurance code. The new organization is fostered by the Michigan Medical Society to provide low-cost medical service on an insurance plan.

#### F. E. Mueller, Jr., Is Advanced

Frank E. Mueller, Jr., has been appointed superintendent of production in the commercial accident department of Continental Casualty at the head office. He has been agency secretary of that department.

#### L. N. Webb Made Director

Leslie N. Webb, vice-president of Provident Life & Accident, has been elected a director. Mr. Webb who is in charge of the group and claim departments, has been with the company 30 years, having served in practically every department in both home office and field.

#### Great Northern Names Chris Becker

Chris Becker, who conducts a general insurance business at 123 East 6th street, Cincinnati, has been appointed general agent for Great Northern Life of Chicago in the life and accident and health departments. He has been in the general insurance business about 10 years.

#### NEWS BRIEFS

A. L. Hodge has been elected president of the Employees Credit Union of the Provident Life & Accident. J. R. Bracewell, claims department, is vice-president; Mrs. Margaret Blanchard, accident department, secretary; Miss Mary Bracewell, group department, treasurer.

Ralph H. Severson, formerly with the company in Houston, Tex., is new Oklahoma manager of the American Hospital & Life, with headquarters at Oklahoma City. He succeeds Gerry Ellsworth, who has gone to Dallas.

A permit has been issued to the Western New York Medical Plan Inc., to operate a non-profit medical expense indemnity plan. Headquarters are in the Huyler building, Buffalo.

#### Los Angeles Underwriters Elect

LOS ANGELES—The Casualty & Surety Underwriters Club of Los Angeles has elected these officers: President, O. E. Hopkins, Hartford Accident; vice-president, F. L. Sheeley, Aetna Casualty; secretary-treasurer, H. E. Berger, Zurich; governing board,

in addition to the officers, J. W. Hosford, Maryland Casualty; J. N. Taggard, Hartford Accident. This is a new organization composed of office underwriters for companies members of the National Bureau, and has an initial membership of 16.

#### Bevis with Utilities

Cecil G. Bevis has joined Utilities of St. Louis as special representative for Indiana to replace Millard Jones, who has gone with Emmco.

Mr. Bevis has been with Globe Indemnity in Indiana for 13 years.

After a short period of training at the

home office, Mr. Bevis will devote his full time to the Indiana territory.

#### Seek Stabilization in Washington

OLYMPIA, WASH.—A joint committee of agents and company men presented to the Washington department a program for stabilizing private passenger liability and property damage rates, at a hearing before Commissioner Sullivan.

Among those in attendance were William Leslie, general manager National Bureau of Casualty & Surety Underwriters, and Rollo E. Fay, Pacific Coast manager. The report suggested

a nominal reduction in Seattle rates in view of the favorable loss experience and trend in King county. Revamping of territories was suggested to correct inequities which have developed over a period of years since the last territorial realignment.

The commissioner appointed a sub-committee from the joint agency and company group to confer with the department and study proposed changes.

L. J. Carey, general counsel Michigan Mutual Liability and program chairman of the Detroit Adjusters Association, addressed the commercial vehicle section of the Detroit Safety Council.

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\* \* \*

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dleman's function and services, we refuse to accept business direct because it is not in the interests of the company or the assured to do so. When you buy National Surety Fidelity Bonds, Surety Bonds, Burglary or Forgery Insurance through your local insurance agent or broker, you deal with a customer and friend who is a fellow member and supporter of the American Business System.

• This is a reprint of an advertisement of National Surety Corporation which appeared in the Journal of the American Medical Association. It was directed to the members of the medical profession in your city.

This advertisement has also appeared in a long list of banking and financial publications. It is an effective sales help to our agents and another proof of our belief in and support of the American Agency System as a part of the American Business System.

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## NEWS OF THE CASUALTY COMPANIES

### Ohio Casualty Has New Statement

The new statement of the Ohio Casualty shows assets \$9,033,749, liability loss reserve \$1,872,295, premium reserve \$3,285,392, contingency reserve \$800,000, capital stock \$600,000, net surplus \$1,200,000. Premiums last year were \$6,167,527. In a recent issue some figures from the statement of a year ago appeared.

Its assets increased \$1,898,667. It has \$6,312,838 in cash and federal government securities, which is more than \$3,546,085 in excess of its claim reserve and 69.9 percent of assets. The surplus increase is \$200,000 after the payment of dividends of \$120,000. The increase of voluntary reserve is \$100,000. The purchase of the Pennsylvania Indemnity was a net cost of \$339,017. Its net premiums increased \$460,339.

The following summary of the underwriting investment exhibit is of interest:

Insurance underwriting profit	\$ 822,510
Investment earnings less investment expense	138,566

Operating profit before provision for income tax	\$ 961,076
Provision for federal income tax	283,309

Operating profit after federal income tax	677,767
Cash dividend paid to stockholders	120,000

Net gain from operations less cash dividends paid to stockholders and provision for federal income tax	\$ 557,767
Net profit from sale of investments	10,273

Increase in market value of investments	70,977
Net gain from operations and investments	\$ 639,017

Less:	
Increase in voluntary reserves	\$100,000
Net cost Dec. 31, 1939, due to acquisition of business of Pennsylvania Indemnity	339,017
Net addition to surplus	\$ 200,000
Surplus 12-31-1938	1,000,000

Surplus 12-31-1939	\$1,200,000
The premium reserve is \$3,285,392 as compared with \$2,549,633 a year ago. Its claim reserve is \$2,766,752, as compared with \$2,017,752 a year ago.	

### Trinity Universal Reports Gain in Assets in 1939

Trinity Universal reports \$6,301,577 total admitted assets, a gain of \$300,000 in 1939. On the market quotation basis the figure would be increased by \$131,715. The unearned premium reserve totals \$2,214,168, loss and claim reserves \$257,524, special liability reserves \$969,110, capital \$1,000,000, surplus \$1,428,996. Of the assets \$1,070,096 is in cash and United States government bonds; \$1,670,512 in state, county and municipal bonds and \$1,792,119 in stocks.

### Standard Accident Figures

The Standard Accident's new statement shows assets \$23,450,477, of which \$6,391,774 is cash, \$2,928,597 government bonds, \$4,060,862 short term bonds, \$1,461,738 other bonds. Common stock

is \$1,848,515, mortgages are \$1,005,832. Premium reserve is \$6,375,650, claim reserve \$9,918,406, voluntary reserve \$1,250,000, first preferred capital stock \$750,000, second preferred \$23,960, common \$606,680, total capital \$1,380,640, net surplus \$2,675,688.

### Lumbermen's Mutual Casualty's New Figures

Lumbermen's Mutual Casualty of Chicago reports earnings for the year of \$6,408,642, increase \$624,975. Net premiums written were \$27,458,306, gain \$546,627. Assets reached \$38,073,226, up \$3,901,248. Net surplus was \$5,000,000, increase \$331,946. In addition the company continued its voluntary reserve for contingencies of \$1,000,000 and added \$262,440 to a voluntary reserve for unassigned funds. The company also maintains a special reserve of \$150,794, which is sufficient to adjust all stocks to 1932 lows.

Dividends paid to policyholders were \$4,781,726, increase \$35,841.

Volume of automobile casualty insurance was \$16,320,523, gain \$42,659. Workmen's compensation premiums totaled \$8,297,979, increase \$121,264.

### Report of General Casualty

General Casualty of Seattle reports assets \$3,003,635, an increase of \$691,000. Surplus to policyholders is \$1,941,982, an increase of \$200,000. There was an increase of \$101,000 in premiums written and premium reserve increased by \$197,000.

### Central Surety Gains \$373,627

In reporting the Central Surety's annual statement the increase in surplus was incorrectly given as \$37,887. In 1939 the Central Surety showed a \$373,627 gain in surplus as compared with a \$335,739 gain in 1938 or \$37,887 more.

### New Mid-America Secretary

At the annual meeting of the Mid-America Casualty of Cedar Rapids, Ia., all officers were reelected except H. J. Chadima, Cedar Rapids, secretary, who did not seek reelection. G. H. Waggoner, who has been with Garrett, Inc., of Kansas City for some time and formerly for 15 years with the U. S. F. & G., was named to succeed Mr. Chadima. T. W. Garrett, Jr., head of Garrett, Inc., was renominated president and chairman of the board of Mid-America.

### Royal and Eagle Indemnity

The Royal Indemnity's new statement shows assets \$34,075,071, gain \$2,233,000, loss reserve \$13,052,710, premium reserve \$6,191,512, gain \$115,000, voluntary reserve \$5,179,250, capital \$2,500,000, net surplus \$5,000,000.

The Eagle Indemnity shows assets \$9,474,379, claim reserve \$3,319,288; premium reserve \$2,129,861, gain \$200,000, capital \$1,000,000, net surplus \$1,500,000.

Of the Royal Indemnity assets \$18,950,000 are in cash and federal bonds. The company enjoyed a satisfactory profit for the year and although not as large as the two previous years it is above the average.

Eagle Indemnity's figures show an



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increase of assets of more than \$900,000. Its premiums were \$4,031,520, an increase of 10 percent. Of its assets \$5,632,981 are in cash and federal bonds.

### Commercial Standard Figures

Commercial Standard of Fort Worth had net premiums in 1939 of about \$3,700,000. Assets increased about \$500,000. Policyholders surplus exceeded \$1,000,000.

### United Pacific Is Moving

United Pacific of Seattle expects to move into its new home office quarters on the second floor of the Exchange building next week. The furnishings are in modernistic style.

The Motorists Mutual of Columbus, O., has filed an amendment to its charter by which it will write reinsurance, liability, disability, automobile, steam boiler, use and occupancy and miscellaneous insurance.

The Mutual Benefit Health & Accident has withdrawn from the province of Prince Edward Island in Canada.

**Allied Mut. Auto. Ins.**—Assets, \$691,487; inc., \$172,397; unearned prem., \$302,781; loss res., \$38,706; liab. res., \$139,721; surplus, \$201,071; inc., \$31,197. Experience: Net Premiums, Losses Paid. Bodily injury ..... \$ 293,519 \$ 68,935 Property damage... 145,754 47,847 Auto fire ..... 20,023 7,485 Auto theft ..... 20,023 3,127 Auto collision ..... 136,333 60,582 Comprehensive ..... 79,787 32,666 Cargo ..... 11,706 1,675 Total ..... \$ 707,147 \$ 222,320

**Allied Underwriters, Tex.**—Assets, \$294,544; inc., \$42,068; unearned prem., \$95,181; loss res., \$8,740; liab. res., \$42,194; comp. res., \$27,214; surplus, \$93,945; inc., \$37,040. Experience: Net Premiums, Losses Paid. Auto fire ..... \$ 4,987 \$ 1,530 Auto theft ..... 555 635 Fire ..... —3,144 12,048 Auto liability ..... 124,892 34,532 Other liability ..... 16,627 3,692 Workmen's comp. .... 134,405 64,613 Windstorm ..... 159 1,236 Surety ..... 2,982 — Cargo ..... 10,273 5,303 Auto prop. damage. .... 48,228 7,063 Auto collision ..... 8,250 10,221 Other P. D. and coll. .... 2,318 153 Other auto ..... 1,018 62 Total ..... \$ 351,554 \$ 141,023

**Amer. Bonding, Md.**—Assets, \$2,061,822; inc., \$33,208; \*unearned prem., \$879,299; \*loss res., \$549,522; capital, \$1,000,000; surplus, \$796,897; inc., \$63,637. Experience: \*Prem. and claim reserves carried by Fid. & Deposit. (All Bus. Reins. 100% by Fid. & Dep.) Net Premiums, Losses Paid. Fidelity ..... \$ 755,604 \$ 142,253 Surety ..... 492,794 69,211 Plate glass ..... 52,723 25,396 Burglary and theft. .... 201,174 61,526 Total ..... \$1,502,295 \$ 298,386

**Benefit Assn. R. R. Employees, Ill.**—Assets, \$2,697,249; inc., \$245,239; unearned prem., \$169,304; loss res., \$839,000; surplus, \$1,420,647; inc., \$74,313. Experience: Net Premiums, Losses Paid. Accident and health \$3,698,540 \$2,052,874

**Buckeye Union Cas., O.**—Assets, \$2,675,232; inc., \$337,261; unearned prem., \$993,645; loss res., \$66,728; liab. res. (schedule P. basis), \$736,026; capital, \$300,000; surplus, \$403,766, after deducting voluntary res., \$60,000; inc., \$63,207. Experience: Net Premiums, Losses Paid. Accident—auto ..... \$ 51,786 \$ 6,678 Fire—auto ..... 32,179 7,482 Auto liability ..... 941,622 372,736 Other liability ..... 138,672 23,428 Theft—auto ..... 18,411 3,401 Tornado—auto ..... 3,390 486 Plate glass ..... 38,010 16,106 Burglary and theft. .... 77,458 12,105 Comprehensive ..... 166,683 42,969 Auto prop. damage. .... 378,808 179,191 Auto collision ..... 262,408 118,236 Other P. D. and coll. .... 16,063 2,691 Other auto—towing. .... 759 115 Total ..... \$2,126,249 \$ 785,624

**Budger St. Cas., Wis.**—Assets, \$72,026; inc., \$7,148; unearned prem., \$28,907; loss res., \$4,467; liab. res., \$15,933. surplus,

\$18,649; inc., \$8,948. Experience on principal lines: Net Premiums, Losses Paid. Auto liability ..... \$ 32,478 \$ 21,419 Burglary and theft. .... 2,548 240 Auto prop. damage. .... 22,137 6,262 Auto collision ..... 2,102 — Auto fire ..... 1,940 210 Total ..... \$ 62,283 \$ 29,116

**Business Men's Assur.**—Assets, \$19,839,703; inc., \$2,039,561; unearned prem., \$469,094; loss res., \$1,535,580; non-can.

A&H res., \$77,417; capital, \$500,000; surplus, \$1,033,948; inc., \$142,381; surplus assigned for asset fluctuation, \$275,000. Experience: Net Premiums, Losses Paid. Accident ..... \$ 864,362 \$ 370,838 Health ..... 1,040,258 591,227 Non-can. H. & A. .... 71,629 49,163 Total ..... \$1,976,250 \$1,011,249

**Citizens Mut. Auto. Ins., Mich.**—Assets, \$945,113; inc., \$85,548; unearned prem., \$466,013; loss res., \$86,561; liab. res.,

\$167,322; surplus, \$121,730; inc., \$18,577. Experience: Net Premiums, Losses Paid. Auto liability ..... \$ 410,118 \$ 162,858 Glass breakage ..... 20,622 10,184 Theft ..... 52,381 13,607 Fire, tornado ..... 67,048 17,738 Auto prop. damage. .... 268,413 83,646 Auto collision ..... 261,134 155,096 Other auto ..... 23,048 8,636 Total ..... \$1,102,764 \$ 451,767

**Century Indem.**—Assets, \$12,904,744; inc., \$875,502; unearned prem., \$3,362,981;

## THE OHIO CASUALTY INSURANCE CO.

HAMILTON, OHIO

### FINANCIAL STATEMENT JANUARY 1, 1940

ASSETS		LIABILITIES	
Cash in Bank and Office.....	\$3,151,656.50	Special Reserve for Liability	
U. S. Government Bonds.....	3,161,181.67	Losses .....	\$1,872,294.60
(Amortized Value)		Reserve for Losses and Claims	
Municipal and Listed Bonds....	126,420.70	including Adjustment Expenses	333,973.02
(Amortized Value)		Reserve for Unearned	
Common Stocks (Market Value)	522,085.04	Premiums .....	3,285,392.40
*Stock—		Reserve for Taxes.....	321,128.09
The Ohio Insurance Co.....	394,256.00	Reserve for Unpaid Bills.....	12,000.00
Mortgage Loans .....	152,237.48	Reinsurance .....	48,475.34
Mortgage Loans FHA Insured.	312,612.91	Reserve for Losses and Claims	
Real Estate—Book Value.....	149,333.12	of the Pennsylvania Indemnity	
Premiums in Course of		Corp. ....	560,485.46
Collection (Under 90 days)	984,746.48	<b>Voluntary Contingency Reserve</b>	<b>800,000.00</b>
Interest Accrued .....	19,960.85	<b>Capital Stock ....</b>	<b>\$ 600,000.00</b>
Reinsurance .....	1,681.25	<b>Surplus .....</b>	<b>1,200,000.00</b>
Other Ledger Assets.....	57,576.91	<b>Surplus to Policyholders.....</b>	<b>1,800,000.00</b>
	<b>\$9,033,748.91</b>		<b>\$9,033,748.91</b>
Cash and U. S. Government Bonds..	\$6,312,838.17	Percentage to Total Assets	69.9
Municipal and Listed Bonds.....	126,420.70	Percentage to Total Assets	1.4
Preferred and Common Stocks.....	916,341.04	Percentage to Total Assets	10.1
Mortgage Loans .....	464,850.39	Percentage to Total Assets	5.1

\*This Company is wholly owned, operated and controlled by The Ohio Casualty Insurance Company. Its entire assets are invested in Cash and Government Bonds.

### GROWTH OF THE OHIO CASUALTY

Year	Capital	Surplus	Net Premiums Written	Assets
Dec. 31, 1921	\$200,000	\$ 76,846	\$ 303,142	\$ 452,817
Dec. 31, 1926	250,000	273,347	1,501,829	1,798,236
Dec. 31, 1931	600,000	514,516	2,901,786	3,204,645
Dec. 31, 1936	600,000	702,919	4,822,935	5,389,765
Dec. 31, 1939	600,000	1,200,000	6,167,527	9,033,749

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loss res., \$717,246; liab. res., \$2,347,813; comp. res., \$1,319,254; capital, \$1,000,000; surplus, \$3,373,684; inc., \$663,585. Experience:

	Net Prem.	Losses Pd.
Accident .....	\$ 174,925	\$ 84,916
Health .....	80,380	41,453
Auto liability .....	2,351,474	1,059,641
Other liability .....	1,129,271	358,451
Workmen's comp. ....	1,746,237	947,609
Fidelity .....	308,769	64,255
Surety .....	577,724	60,502
Plate glass .....	166,690	69,766
Burglary and theft. ....	313,781	73,183
Auto prop. damage. ....	670,006	297,377
Auto collision .....	17,898	5,405
Other P. D. and coll. ....	60,880	10,781
Total .....	\$7,598,041	\$3,073,343

**Farmers' Mut. Auto. Wis.**—Assets, \$1,308,564; inc., \$214,865; unearned prem., \$346,351; loss res., \$59,176; liab. res., \$404,291; surplus, \$449,058; inc., \$113,761. Experience:

	Net Prem.	Losses Pd.
Auto fire .....	\$ 43,844	\$ 8,401
Auto theft .....	37,227	5,958
Auto tornado .....	7,015	1,191
Auto liability .....	730,627	293,556
Auto comp. ....	2,741	1,849
Burglary and theft. ....	19,880	2,833
Auto prop. damage. ....	249,056	111,537
Auto collision .....	87,434	44,148
Personal auto acci. ....	2,692	215
Total .....	\$1,180,516	\$ 469,688

**Fidelity & Deposit**—Assets, \$25,283,359; inc., \$1,784,952; unearned prem., \$6,330,397; loss res., \$5,066,174; liab. res., \$4,500; comp. res., \$34,553; capital, \$2,400,000; surplus, \$9,154,795; inc., \$1,837,265. Experience:

	Net Prem.	Losses Pd.
Health .....	\$ 195	\$ 195
Workmen's comp. ....	1,230	1,230
Fidelity .....	\$5,522,703	1,185,034
Surety .....	3,939,131	331,041
Plate glass .....	237,707	103,861
Burglary and theft. ....	986,429	264,559
Total .....	\$10,685,970	\$1,885,920

**Freeport Motor Cas., Ill.**—Assets, \$1,555,279; inc., \$202,438; unearned prem., \$393,503; loss res., \$44,024; liab. res., \$285,964; capital, \$200,000; surplus, \$412,108; inc., \$46,271. Experience:

	Net Prem.	Losses Pd.
Auto liability .....	\$ 440,319	\$ 127,270
Auto prop. damage. ....	171,322	60,287
Auto collision .....	134,609	53,304
Other auto fire and theft .....	105,489	17,547
Total .....	\$ 851,739	\$ 258,208

**General Cas., Wash.**—Assets, \$5,618,915; inc., \$691,721; unearned prem., \$1,916,526; loss res., \$204,494; liab. res., \$1,332,739; comp. res., \$29,025; capital (incr. during 1939 from \$550,000 to \$1,000,000 by stock div. from earned surplus of \$450,000), \$1,000,000; surplus, \$831,982; dec., \$159,894. Experience:

	Net Prem.	Losses Pd.
Auto liability .....	\$1,728,132	\$ 602,444
Other liability .....	441,915	72,487
Workmen's comp. ....	11,693	8,364
Fidelity .....	63,723	7,160
Surety .....	178,460	40,108
Plate glass .....	49,357	17,064
Burglary and theft. ....	79,125	19,904
Steam boiler .....	27,211	2,206
Engine and mach. ....	1,900	.....
Auto prop. damage. ....	589,600	234,580
Auto collision .....	426	170
Other P. D. and coll. ....	28,468	9,711
Other auto .....	1,432	1,683
Total .....	\$3,201,444	\$1,015,886

**Globe Indemnity**—Assets, \$41,290,480; inc., \$2,240,211; unearned prem., \$6,978,688; loss res., \$16,199,119; capital, \$2,500,000; surplus, \$7,500,000; vol. cont. res., \$6,448,352.

**Insurers Indem., Okla.**—Assets, \$824,473; inc., \$126,278; unearned prem., \$107,490; loss res., \$5,699; liab. res., \$26,389; comp. res., \$125,986; contingency reserve, \$25,000; capital, \$250,000; surplus, \$239,789; inc., \$8,445. Experience:

	Net Prem.	Losses Pd.
Auto liability .....	\$ 79,325	\$ 21,654
Other liability .....	15,739	227
Workmen's comp. ....	280,545	95,040
Plate glass .....	5,107	688
Burglary and theft. ....	3,789	551
Auto prop. damage. ....	29,657	13,803
Auto collision .....	651	464
Other P. D. ....	6,178	.....
Total .....	\$ 420,995	\$ 132,429

**Hardware Mut. Cas., Wis.**—Assets (amortized), \$13,204,887; inc., \$1,185,800; unearned prem., \$4,382,844; loss res.,

\$298,946; liab. res., \$3,221,721; comp. res., \$1,730,245; guar. fund, \$500,000; surplus, \$2,068,730; inc., \$505,212; general voluntary reserve, \$385,000. Experience:

	Net Prem.	Losses Pd.
Accident .....	\$ 2,080	\$ 2,080
Auto liability .....	4,975,563	1,941,042
Other liability .....	499,012	96,560
Workmen's comp. ....	2,741,044	1,271,219
Plate glass .....	183,377	71,557
Burglary and theft. ....	143,787	35,933
Auto prop. damage. ....	1,486,736	530,803
Auto collision .....	705,182	292,629
Other P. D. and coll. ....	46,962	11,409
Total .....	\$10,781,663	\$4,253,232

**Hartford Steam Boiler**—Assets, \$20,762,989; inc., \$787,371; unearned prem., \$5,456,205; loss res., \$266,219; capital, \$3,000,000; surplus, \$8,475,475; inc., \$958,135. Experience:

	Net Prem.	Losses Pd.
Steam boiler .....	\$3,327,751	\$ 364,718
Engine and mach. ....	1,868,272	424,076
Total .....	\$5,196,024	\$ 788,795

**Internatl. Travelers, Tex.**—Assets, \$489,428; inc., \$69,096; unearned prem., \$17,510; loss res., \$9,566; capital, \$100,000; surplus, \$63,128; inc., \$22,073. Experience:

	Net Prem.	Losses Pd.
Accident & health. ....	\$ 99,561	\$ 39,075

**Iowa Mut. Liab.**—Assets, \$2,019,111; inc., \$266,666; unearned prem., \$699,102; loss res., \$60,158; liab. res., \$358,843; comp. res., \$247,336; surplus, \$509,575; inc., \$91,314. Experience:

	Net Prem.	Losses Pd.
Accident .....	\$ 1,279	\$ 1,279
Auto liability .....	524,485	212,358
Other liability .....	56,294	9,565
Workmen's comp. ....	407,287	205,079
Plate glass .....	5,926	2,622
Auto prop. damage. ....	218,884	85,946
Auto collision .....	192,802	86,324
Other P. D. and coll. ....	6,376	1,704
Other auto .....	185,983	56,678
Total .....	\$1,599,316	\$ 660,276

**Monarch Life**—Assets, \$6,160,802; inc., \$665,206; unearned prem., \$553,338; loss res., \$468,923; non-can. A&H res., \$612,503; capital, \$445,600; surplus, \$863,524; inc., \$92,853. Experience:

	Net Prem.	Losses Pd.
Accident .....	\$ 210,387	\$ 107,097
Health .....	2,853,124	1,372,864
Total .....	\$3,063,511	\$1,479,961

**Motor Vehicle Casualty**—Assets, \$1,083,650; inc., \$47,536; unearned prem., \$388,381; loss res., \$247,205; capital, \$200,000; surplus, \$176,296; inc., \$32,877.

**Mutual Benefit H. & A.**—Assets, \$9,700,292; inc., \$2,231,207; unearned prem., \$2,190,259; loss res. and claim res., \$4,913,228; non-can. A&H res., \$538,085; cont. fund, \$300,000; surplus, \$404,105; dec., \$195,895. Experience:

	Net Prem.	Losses Pd.
Accident & health. ....	\$13,883,046	\$6,215,453

**National Mut. Cas., Okla.**—Assets, \$619,483; dec., \$62,157; unearned prem., \$189,740; loss res., \$15,799; liab. res., \$90,620; comp. res., \$145,137; surplus, \$133,368; inc., \$520. Experience:

	Net Prem.	Losses Pd.
Accident .....	\$ 120	\$ 120
Auto liability .....	181,382	54,008
Other liability .....	15,940	4,790
Workmen's comp. ....	232,207	216,405
Fidelity .....	542	.....
Surety .....	1,659	.....
Plate glass .....	710	70
Burglary and theft. ....	1,003	1,322
All other auto. ....	5,881	1,279
Auto prop. damage. ....	86,659	18,329
Auto collision .....	5,191	1,564
Other P. D. and coll. ....	2,902	350
Other auto—cargo. ....	9,035	1,981
Total .....	\$ 544,231	\$ 300,098

**Travelers**—Assets, \$1,039,202,643; inc., \$63,675,199; unearned prem., \$18,924,358; loss res., \$5,892,668; liab. res., \$14,770,562; comp. res., \$21,831,671; non-can. A&H res., \$361,183; capital, \$20,000,000; surplus, \$41,119,085; inc., \$7,762,623. Experience:

	Net Prem.	Losses Pd.
Accident .....	\$11,458,995	\$4,226,506
Health .....	5,559,596	3,556,768
Non-can. H. & A. ....	63,099	227,083
Auto liability .....	14,093,958	6,219,946
Other liability .....	7,167,501	2,357,921
Workmen's comp. ....	17,659,992	9,227,268
Total .....	\$56,003,145	\$25,815,495

**New Amsterdam Cas.**—Assets, \$27,301,457; inc., \$2,229,463; unearned prem., \$6,244,634; loss res., \$2,902,640; liab. res.,

1900

FORTIETH ANNIVERSARY

1940

# WESTERN SURETY COMPANY

Sioux Falls, South Dakota

Financial Statement as of December 31, 1939

## ASSETS

Cash .....	\$261,240.52
Stocks (Market) .....	111,722.50
Bonds (Market) .....	.....
Government .....	\$682,339.43
Others .....	49,587.50 731,926.93
First Mortgage Real Estate Loans .....	77,461.23 \$1,182,351.18
Real Estate .....	203,852.77
Premiums in Course of Collection (Under 90 Days) .....	68,412.38
Accrued Interest on Investments .....	14,870.37
TOTAL .....	\$1,469,486.70

## LIABILITIES

Reserve for Unearned Premiums .....	\$244,202.50
*Reserve for Anticipated Losses .....	319,634.86
Reserve for Taxes and Other Liabilities .....	107,737.57 \$ 671,574.93
Policyholders' Surplus .....	.....
Capital Stock .....	300,000.00
Surplus .....	497,911.77 797,911.77
TOTAL .....	\$1,469,486.70

\*Includes voluntary reserves of ..... \$ 175,000.00  
In States requiring Amortized Bond values: Bonds ..... 721,346.06  
Total Assets ..... 1,458,005.83  
Surplus ..... 487,330.90

## FIDELITY AND SURETY BONDS

—Non-Conference—

WANTED: Chicago Agent—Also agents in other points in Illinois, Indiana and Missouri

Gain  
in Life Insurance  
in Force for 1939--  
\$15,489,970.00

--- a 13% increase for the year  
Congratulations  
Provident Fieldmen!

PROVIDENT  
Life and Accident  
Insurance Company  
Chattanooga—Since 1887—Tennessee

*The Scale  
Is Balanced*

Good business  
demands that  
Quality  
weigh as heavy as  
Quantity



—when you deal with Commercial Standard.

**To the Insured:** Quality stock company protection at an equitable cost.

**To the Agent:** Quality service and friendly co-operation, gladly extended in generous quantity.



**COMMERCIAL STANDARD  
INSURANCE COMPANY**  
FORT WORTH, TEXAS

## AMERICAN RE-INSURANCE CO.

Robert C. Ream, President

99 John Street New York

DECEMBER 31st, 1939

CAPITAL .....	\$ 2,000,000.00
Surplus .....	4,925,022.53
Voluntary Contingency Reserve .....	500,000.00
Reserve for Losses .....	4,411,967.35
All Other Liabilities .....	2,659,228.69
<b>TOTAL ADMITTED ASSETS .....</b>	<b>14,496,218.57</b>

NOTE: Securities carried at \$361,062.50 in the above statement are deposited as required by law.

**CASUALTY • FIDELITY • SURETY**  
**Re-Insurance**

## Practise What You Preach

Through the efforts of Agents, Safety Organizations, Enforcement Officials and Insurance Companies, the number of traffic fatalities turned sharply downward in 1938. The trend continued during the greater part of 1939.

Preach Safety upon every occasion, and **PRAC-TISE WHAT YOU PREACH.**

**New Amsterdam**  
**Casualty Company**

Baltimore

New York

Opportunities  
for Salesmen in  
**48**  
States  
**Income  
Insurance  
Specialists**

**• NORTH AMERICAN ACCIDENT  
INSURANCE COMPANY • 209 SO. LA SALLE STREET  
CHICAGO**

\$4,287,462; comp. res., \$4,369,663; capital, \$1,000,000; surplus, \$5,000,000; inc., \$1,000,000; res. for contingencies, \$1,652,636. Experience:

	Net Prems.	Losses Pd.
Accident .....	\$ 252,987	\$ 106,129
Health .....	25,435	10,384
Auto liability .....	3,094,630	1,317,882
Other liability .....	2,278,809	577,717
Workmen's comp. ..	3,515,267	1,871,711
Fidelity .....	1,042,726	251,676
Surety .....	1,164,697	247,252
Plate glass .....	312,951	110,950
Burglary and theft. ..	516,148	119,160
Auto prop. damage. ..	917,606	336,307
Auto collision .....	36,418	16,702
Other P. D. and coll. ..	140,651	27,805

Total .....

**Standard Accident—Assets, \$23,450,476; dec., \$39,791; unearned prem., \$6,373,055; incl. res. for safe driver rewards, \$120,516; loss res., \$1,671,916; liab. res., \$3,467,399; comp. res., \$4,288,293; net non-can., A&H res., \$2,594; capital, \$1,380,640; surplus, \$2,675,687; inc., \$402,767. Experience:**

	Net Prems.	Losses Pd.
Accident .....	\$ 971,069	\$ 392,841
Health .....	120,051	83,656
Non-can. H. & A. ....	929	1,350
Auto liability .....	3,508,968	1,333,464
Other liability .....	1,689,755	416,829
Workmen's comp. ....	3,986,407	2,082,952
Fidelity .....	769,004	266,008
Surety .....	2,084,530	442,721
Plate glass .....	210,432	84,973
Burglary and theft. ....	432,058	94,049
Steam boiler .....	21,680	82
Engine and mach. ....	1,035	
Auto prop. damage. ....	876,935	363,486
Auto collision .....	54,894	22,399
Other P. D. and coll. ....	127,187	19,088

Total .....

**Standard Surety—Assets, \$6,053,418; inc., \$340,640; unearned prem., \$1,446,212; loss res., \$337,310; liab. res., \$1,096,528; comp. res., \$671,935; capital, \$1,000,000; surplus, \$1,164,629; dec., \$16,261. Experience:**

	Net Prems.	Losses Pd.
Accident .....	\$ 104,314	\$ 37,226
Auto liability .....	1,131,365	507,986
Other liability .....	304,360	108,706
Workmen's comp. ....	708,016	398,669
Fidelity .....	59,887	26,884
Surety .....	76,384	65,240
Plate glass .....	143,420	52,562
Burglary and theft. ....	114,434	20,027
Auto prop. damage. ....	346,705	152,910
Auto collision .....	6,015	3,067
Other P. D. and coll. ....	10,047	1,867

Total .....

**St. Paul-Mercury Indem.—Assets, \$12,435,352; inc., \$1,767,605; unearned prem., \$3,393,477; loss res., \$947,697; liab. res., \$2,233,767; comp. res., \$482,981; capital, \$1,000,000; surplus, \$3,545,181; inc., \$829,330. Experience:**

	Net Prems.	Losses Pd.
Accident .....	\$ 21,821	\$ 2,553
Auto liability .....	2,016,803	656,355
Other liability .....	1,189,986	224,843
Workmen's comp. ....	831,450	358,807
Fidelity .....	372,735	78,874
Surety .....	860,102	136,899
Plate glass .....	141,708	56,638
Burglary and theft. ....	242,396	43,465
Auto prop. damage. ....	675,404	235,301
Auto collision .....	97,527	32,783
Other P. D. and coll. ....	98,302	22,373
Other auto—converts. ....	2,299	402

Total .....

**Travelers Indemnity—Assets, \$30,318,756; inc., \$1,824,437; unearned prem., \$8,219,175; loss res., \$948,215; liab. res., \$1,149,650; comp. res., \$622,036; capital, \$3,000,000; surplus, \$7,382,476; inc., \$113,143. Experience:**

	Net Prems.	Losses Pd.
Auto liability .....	\$1,511,690	\$ 249,784
Other liability .....	1,029,538	144,738
Workmen's comp. ....	1,588,160	480,724
Plate glass .....	640,064	265,081
Burglary and theft. ....	2,147,462	475,873
Steam boiler .....	931,815	101,887
Engine and mach. ....	140,621	30,341
Auto prop. damage. ....	4,368,110	1,921,100
Auto collision .....	544,870	248,993
Other P. D. and coll. ....	563,269	115,615

Total .....

**United Benefit Life—Assets, \$14,827,201; inc., \$1,872,322; unearned prem., \$55,086; loss res., \$114,546; non-can. A&H res., \$52,950; capital, \$300,000; surplus, \$400,000; inc., \$100,000. Experience:**

	Net Prems.	Losses Pd.
Accident & health. ....	\$ 259,373	\$ 109,911
Non-can. H. & A. ....	83,605	36,601

Total .....

**West American, Cnl.—Assets, \$1,353,311; inc., \$112,370; unearned prem., \$773,778; loss res., \$64,918; capital, \$250,000; surplus, \$221,313; dec., \$25,961. Experience on principal lines:**

	Net Prems.	Losses Pd.
Auto collision .....	\$ 670,630	\$ 291,837
Other auto .....	502,897	139,940

Total .....

## PERSONALS

**C. H. Burras** of Chicago, president Joyce & Co., and secretary National Association of Casualty & Surety Agents, left this week for Palm Beach, Fla., and later will go to Orlando.

**Berthold Woodhams**, head of the claim department of the Citizens Mutual Automobile, Howell, Mich., was the guest of the home office staff at a banquet celebrating 20 years of service. He was presented a purse.

**H. W. Anderson**, 54, president and treasurer of the Factory Mutual Liability of Providence, R. I., and its affiliate, the Automobile Mutual, writing fire coverage, died there. He started with the Employers Liability in 1912 and was made branch manager in Providence for the American Mutual Liability in 1918. In 1921 he became secretary and assistant treasurer of the Factory Mutual Liability and Automobile Mutual and was made president of both companies in 1933.

**Miss Helen R. Sieh**, head of the employment department at the head office of the Continental Casualty and Continental Assurance of Chicago, died Tuesday from pneumonia. Miss Sieh had been with the organization for 11 years. She was most highly regarded and esteemed by her associates.

Miss Sieh died in her apartment on the Orrington Hotel, Evanston, Ill., after a two weeks illness. Funeral services were held Wednesday.

**M. P. Cornelius**, president of the Continental Casualty and vice-president of the Continental Assurance in Chicago, and **Roland M. Clark**, comptroller of the two companies, are now recovering from gall bladder operations. It so happened that each had his operation the same day as the other. Mr. Cornelius is at Presbyterian Hospital in Chicago and Mr. Clark at the Evanston Hospital, Evanston, Ill. Mr. Clark was attacked in a rather acute way but Mr. Cornelius had been bothered for some time. Both now are in a state of recuperation but will not get out of their hospital confinement for 10 days or so.

Initiating what is to be a monthly affair hereafter, **C. W. Fairchild**, general manager of the Association of Casualty & Surety Executives, was luncheon host in New York to the divisional staff chiefs. At the conferences opportunity will be afforded the department heads to discuss their respective problems and to learn from one another the most effective means for meeting them.

**H. H. Fuller**, vice-president and secretary of American Guarantee & Liability, new running mate of the Zurich, was in Richmond this week conferring with H. V. Godbold, who represents Zurich there. Mr. Fuller has been making a tour of the field in connection with the launching of the new company. Accompanying him to Richmond were Superintendent Lewis of the boiler and machinery department, and Superintendent McCosky of the fidelity department. They went to Washington from Richmond.

Howard Sloneker, secretary, and James Scott, liability and plate glass manager at the head office of **Ohio Casualty**, have been visiting in Chicago this week.

**J. H. Harvey**, managing director National Conservation Bureau, accident prevention division of the Association of Casualty & Surety Executives, will visit Chicago Feb. 15-16 to confer with representatives of the National Safety Council, Underwriters Laboratories, and member companies of the association in Chicago.



# POINTERS FOR LOCAL AGENTS

## Points Out Advantages of Building Accident Insurance

F. L. Templeman of Baltimore, manager of the accident and health department of the Maryland Casualty, gave an enlightening address before the regional meeting of the Virginia Association of Insurance Agents at Roanoke on personal accident insurance. Recently he said one of the larger companies writing general lines of casualty and surety business made an investigation as to the number of its agents that write personal accident business. Out of the 10,000 agents there were only 2,105 who wrote any new accident policies not including automobile accident policies. That is, only one in every five are writing accident insurance. He said these figures show strikingly how many agents are missing the opportunity of adding to their commission income by not selling this class. He said the situation may be due to the lack of knowledge of the various coverages which are offered and how to sell the prospect the coverage which he should have.

### Four Primary Coverages

Mr. Templeman cited the four primary coverages which are offered by accident policies.

1. The amount payable for accidental death.
2. The coverage for the other major losses such as loss of one or both limbs or loss of one or both eyes.
3. The weekly indemnity payable for loss of time, both total and partial which replaces the earnings of the assured when he is injured and which may be termed "loss of income insurance."
4. The benefits payable to reimburse for the cost of medical, hospital and nursing attention.

### Life Payment Indemnity

Mr. Templeman said that when the limit for the payment of disability benefits was changed to life time payments, great impetus was given to the sale of accident insurance as the value of these continuous and life time payments was self evident. The prospect has always been interested in any proposition which guarantees him certain and specified weekly payments should he become permanently and totally disabled by an injury. Incidentally, he added, the automobile has been responsible for a large number of permanent disability claims such as broken backs and spinal injuries. Then, too, the progress made by surgery in treating such cases has resulted in a larger number of permanent disability cases which some years ago would have resulted in death.

### Medical Reimbursement

Mr. Templeman referred to a fifth important line of protection, viz., reimbursement for the cost of medical, surgical, hospital and nursing care. This, he said, is a most recent important development in accident insurance. He said that this form of expense protection is now being sold freely and is meeting a general demand for insurance to take care of the large medical and other necessary expenditures of sickness.

The reason many agents are not successful writers of accident insurance, he asserted, is that they do not ascertain the needs of the prospect for the particular form of protection which he should have. A man who has an adequate amount of life insurance may not be impressed with a solicitation for accident insurance featuring the large

amounts which may be carried payable for accidental death. He may be made to recognize the value to him of insuring his time against loss from accident or of making adequate provision for the payment of doctors and other medical bills incurred on account of an injury.

### Can Cover Members of Family

He can not only cover his own bills but those of his wife and children by taking out accident policies covering them, and accident insurance covering medical expense is now available for all members of the family as young as 14 years of age. This gives an agent, he said, the opportunity of selling several policies on one call and from the standpoint of renewals it is obviously better for him to sell the prospect the idea of covering the expenses of the dependent members of his family as well as himself than it is to sell one policy for a large amount covering himself only which may be dropped, when in the other case there are several policies to be renewed and it is unlikely that all of them will be dropped.

One of the largest and most successful producers of accident business, Mr. Templeman said, attributes the volume which he writes to continuous, aggressive and intelligent prospecting. The speaker said that he would not have agents think that accident insurance is a fast selling line but the liberal commission allowed for such business and the persistency of renewals make it well worth while for an agent to give some part of each day to soliciting it. About 85 percent of the business, he added, written each year renews the next year.

New policies are not issued each year and the delivery of the renewal certificate gives the agent the opportunity of talking over with the insured his need for additional insurance on himself, accident insurance for his family and other

lines.

Some agents, he declared, may not want to sell accident insurance to their clients because it is a personal line and the policyholder may object to being lapsed due to age or for other reasons, but if it is properly sold without giving the insured the impression that he is buying a life time contract like life insurance there will be little chance of any unfavorable comment in Mr. Templeman's opinion. Accident insurance, he said, is not life insurance and it is not fair to the insured to accept his premiums after he becomes for any reason an impaired risk and the impairment is liable to contribute to the results of any injury he might sustain.

## Fetzer Addresses Northern Indiana Agents Groups

Speaking before a joint committee of the Hammond, East Chicago, Whiting and Gary agents associations Wade Fetzer, Jr., W. A. Alexander & Co., Chicago, concentrated upon the subject of education of insurance agents and the current educational program of the National Association of Insurance Agents.

After outlining in brief some of the economic fundamentals relating to the insurance agent, he stressed that highly specialized knowledge was the chief salable factor on which the future of the agents must depend.

Mr. Fetzer reported on the recent meeting he and L. P. McCord of Jacksonville, Fla., chairman National association's education committee, had with the executive officers of the National association and with various group and company officials. This conference carried a few steps further the plan adopted at Boston to foster comprehensive, graduated educational programs. It includes the short course schools such as have been highly successful in certain states, plus increasing the use of the Institute courses, and will have as an ultimate aim comprehensive long-range programs aiding to lift the insurance agent into professional status by providing educational qualifications comparable to those of other professions.

## Consideration of Public's Needs and Wants Imperative

Public relations work is not a single, specialized activity but a plan or philosophy of management which seeks constantly to create an increased good will, J. C. Higdon, vice-president Business Men's Assurance, pointed out in discussing "Why and How Practical Public Relations?" at the mid-year meeting of the National Accident & Health Association in St. Louis.

First consideration should be given to policyholders to see that they are receiving the type of service they need and want. The foundation of good will building, and therefore successful public relations, must rest first of all on performing service that people need and like, and second in telling them about the service sincerely and in a manner which will leave them with a proper appreciation of the value of the service they have received.

### Rumors Spread Rapidly

The doing is far the most important but it is not enough, for unfavorable reports are spread as the result of something that may have been said that the policyholder or customer did not like.

Good will like a good name is won by many acts and lost by one.

People today are unusually sensitive, and susceptible to rumors and unreasonable fears. They need information of a constructive and reassuring nature concerning accident and health business. "We must start not with what people ought to think but what they actually do think. An opinion deeply rooted is just as much a fact and just as important from the customer's point of view, as any scientific finding in a research laboratory, and we must treat these opinions with respect and approach them not with temper but objectively."

Agents who are in constant contact with the public and their own policyholders are able to perform a twofold service in promoting good public relations. They should be constantly alert to report to their companies those features of the service which are found to have an especial appeal to customers. They are also in a favorable position to explain how insurance works in the simplest language possible.

"If we are to succeed in public relations we must adjust our service and

our ways of doing business to meet the public's ideas of what it wants, rather than to attempt to persuade the public to change its wants to the type of service we would like to offer."

### Two Questions to Consider

Two questions have to be considered: "How can we create in the minds of the public a greater appreciation of the service of the accident and health man and the contribution of accident and health insurance to the general welfare, and also how can we avoid any situation which will result in creating ill will on the part of any single customer?"

In general people are pleased when the benefits they receive exceed their expectations and are disappointed and antagonized when their anticipations are greater than the services rendered. Dissatisfaction may more often be avoided if at the time the accident and health contract is sold the buyer has a correct understanding of what he expects to receive. The agent in making his sale has an opportunity for promoting good will, if along with persuading the prospect to apply it to the policy he gives him a correct and lasting picture of what it will do for him and also have him understand clearly the things it will not do.

### Some Points to Explain

Mr. Higdon outlined several points on which the policyholder must be informed: The difference between total and partial disability, and between confining and non-confining sickness. It can be explained to him that the primary purpose of such an arrangement is to enable him to receive larger benefits per month during the time that his expenses are greatest. If he is confined to his home he has to pay the doctor for house calls rather than office visits. He may also be required to pay for additional care which will be necessary when he is not able to leave his home. Thus there is ample justification from the policyholder's point of view to have his benefits distributed in this way in order that for the amount of premium paid he may receive the maximum return when his need is greatest.

Other things the policyholder should understand are: Benefits are not payable for partial disability caused by sickness; health insurance applies only to diseases contracted after the date of the policy, if this provision is included; he must notify the company in event of disability within a certain time limit, and he must notify the company if he changes his occupation for one more hazardous.

### Effect of Waiting Period

In case a policy has an exceptional waiting period, the insured should clearly understand this arrangement, which enables him to receive more benefits for longer disabilities and the same amount of premium than would be possible if he were paid for each period of disability of only a few days duration, the cost of which he can easily bear himself and the benefits for which would probably be little more than the actual cost of handling the claim.

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# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Michigan Mid-year Program Announced

LANSING, MICH.—The tentative program for the mid-year meeting here Feb. 15-16 of the Michigan Association of Insurance Agents has been announced. The conference is to be devoted largely to a short course in various phases of agency work co-sponsored by the association and the extension department of the University of Michigan.

Preceding the meeting there will be a session of the executive committee, called for Feb. 14 by President William A. Doyle of Highland Park.

The conference program follows:

#### Thursday, Feb. 15

9 a. m. Registration.  
10 a. m. General convention. Reports of the president and committees; announcements; introduction of correspondence courses; general discussion.  
1:30 p. m. Short course in fire, casualty and surety insurance by extension division, University of Michigan, led by C. E. Griffin, dean school of business administration and assisted by company specialists. Talks will be followed by open discussion and question. Awards will be given for best examination papers.

7 o'clock. Get-together dinner. Guests will include Commissioner Emery, H. B. Corell and W. C. Conley, Jr., deputy commissioners; Seth R. Burwell licensing division superintendent.  
Motion picture, University of Michigan-Ohio State football game.

#### Friday, Feb. 16

10 a. m. Continuation of courses of instruction.  
12 noon. Luncheon.  
Murray D. VanWagoner, Michigan highway commissioner and general chairman Michigan State-Wide Safety Conference for 1940, "Your Fire and Accident Prevention Committee."  
2 p. m. Continuation of Courses of instruction.  
3 p. m. Final examination.  
5 p. m. Enrollment for correspondence courses through the University of Michigan.

### Crowd of 500 at Aurora Hears About Ill. Truck Act

More than 500 insurance people and truckers turned out for the meeting in Aurora, Ill., the other evening under the auspices of the Aurora Association of Insurance Agents to hear an illuminating discussion of the new Illinois regulatory truck act. There is intense interest in the administration of this law and there has been an overflow attendance at the various meetings that have been held on the subject around the state.

Charles E. Day, president of the Aurora agents association, served as chairman. He introduced John O. Moschel of Moschel & Tomblin, a past president of the Aurora organization, who recited some of the purposes of that association.

Howard Yates, secretary of the Aurora chamber of commerce, gave an address of welcome. L. M. Long, chief examiner in Chicago in connection with the administration of the act, gave the main address and his talk was supplemented by John C. Wieland. Then there was an interesting question and answer period.

D. V. McWethy is vice-president of the Aurora association and Hal Beebe is secretary.

#### SPEAKS AT ROCK ISLAND

John B. Cunningham, supervisor for the Rock Island district of the state division of motor carriers, gave a talk on the new truck law at a luncheon of

the Rock Island Fire & Casualty Insurance Board. The Rock Island board carried a large advertisement in the daily paper concerning the law that included the names of all member agencies and invited truck owners to attend the public meeting. There will be another meeting Feb. 14 in the People's Power Company auditorium.

### Marantette Heads Detroit Agents

DETROIT—D. T. Marantette, Detroit Insurance Agency, was named president of the Detroit Association of Insurance Agents by the new directors at their first meeting succeeding H. W. Peacock, Kelly-Halla-Peacock agency. Mr. Marantette was elected to the board last year and was selected as vice-president. He has served as chairman and member of a number of important committees in past years. He is the third member of his agency to head the association, the others being George W. Carter and H. L. Newnan.

Fred A. Esper, A. J. Rohde agency, was named vice-president and E. S. Karrer becomes treasurer, succeeding H. T. Stock, who served two terms. T. J. Hennes, full-time secretary for 22 years was named acting secretary.

Mr. Peacock is chairman of the board and F. C. Esper, G. E. Cruickshank, Krimmel & Cruickshank; H. T. Stock, Stock agency, and F. P. Hastings, Hastings agency are the new members. Holdover directors were A. I. Dreifus, Woodward agency; A. M. Creed, Creed & Joy; G. W. Hicks, Marsh & McLennan; D. T. Marantette, E. S. Karrer; W. B. Cary, Michigan Insurance Agency and W. A. Doyle, Doyle agency.

### New Officers of Toledo Association to Be Installed

TOLEDO, O.—W. O. Hildebrand, secretary-manager Michigan Association of Insurance Agents, and W. A. Earls, president Ohio Association of Insurance Agents, will be main speakers at the annual banquet and installation of officers of the Toledo Association of Insurance Agents Thursday night.

Officers who will be installed are: K. C. Rowland, president; G. L. Eiselstein, first vice-president; G. L. Fitkin, second vice-president; J. C. Heidleberg, L. R. Spitzer, H. O. Dunbar and H. S. Boynton, directors. N. W. Reed continues as executive secretary and manager. Mr. Boynton will be toastmaster. Out-of-town guests will include: E. S. Davis, past president Cleveland Insurance Board; P. W. Tribolet, district trustee, Ohio association, Bellevue; P. W. Kridler, vice-president Ohio association, Fremont; P. F. Baughman, president Ohio Fire Underwriters Association; V. G. Martin, supervisor of licenses Ohio department, and George W. Carter, Detroit.

### Legislative Prospects and U&O Up at Battle Creek

BATTLE CREEK, MICH.—Instructive talks on use and occupancy insurance and a discussion on Michigan legislative prospects marked the joint meeting of the Battle Creek Association of Insurance Agents and Insurance Women's League.

Waldo O. Hildebrand, Lansing, secretary-manager Michigan association, predicted an effort will be made at the 1941 legislative session to pass a compulsory automobile law. The liquor

control act may be amended to provide for staggering of licensing dates, which will make it easier to handle license bonds.

Mr. Hildebrand also discussed the Mead act which has altered the procedure for writing insurance on some properties of HOLC borrowers. Coverage on loan extensions must be obtained through agents associations but that, once obtained, the business appears to require a minimum of servicing.

Francis D. Leonhard, Grand Rapids, state agent Merchants Fire of Colorado, suggested methods for promoting the sale of use and occupancy insurance, all involving an effort to impress on the prospect the fact that this form of coverage is one of the most vital obtainable since it protects the insured's income and frequently saves his business. The average prospect, he pointed out, has much of his past earnings tied up in fixed assets such as buildings, stock, fixtures, etc. While this is protected by fire insurance, his income and future prospects almost certainly require U. & O. to help him back to normal business in event of a disastrous fire.

### Baldwin Agency Get-Together

The annual get-together of representatives of the H. C. Baldwin agency of Indianapolis was held in the home city. Motion pictures were shown of the trips taken by agency leaders in 1937 to Monterey, Mexico, in 1938 to the Mardi Gras and in 1939 to Washington, D. C., and the New York fair. About 150 agents from Indiana and Illinois attended. Company executives on hand included Voris Lyons, general manager of Pennsylvania Casualty, and Harry Marsh, executive special agent for Quaker City F. & M.

Special guests included John S. Rodgers, member of the Interstate Commerce Commission, and Arthur R. Robinson, former United States senator, who represents the Baldwin agency in Washington in the legal department.

The winning agents in the 1940 contest will be entertained on a fishing trip to Les Cheneaux Islands in Lake Huron.

### Speakers Bureau in Cleveland

CLEVELAND—A speakers bureau was organized at a special meeting of the Cleveland Board sponsored by the public relations committee, headed by C. M. Johnson and the department of education of which George E. Frankel is chairman.

It was decided that well-trained speakers should be made available to clubs, schools, churches and other organizations. G. C. A. Hantelman, Akron, O., will conduct a 10 week public speaking course starting next week.

### Paul House Omaha President

OMAHA—At the annual election of the Omaha Association of Insurance Agents, these officers and directors were named:

President, Paul House, Love-Haskell Co.; vice-president, Henry Kosman, Western Securities Co.; treasurer, Horace M. Higgins, Horace M. Higgins agency; directors: E. R. Heflin, Martin Bros. & Co.; George Barker, National Company; Roy M. Hibben, Hibben & Fitzpatrick.

Directors holding over are: Arthur Pinkerton, Fell & Pinkerton Co.; Richard Walker, Byron Reed Co.

### Map Wisconsin Insurance School

The Wisconsin Association of Insurance Agents will conduct an insurance school in Milwaukee April 17-18 in the Hotel Schroeder. Seven or eight subjects on fire and casualty insurance will be covered. The committee consists of Grover Miller, Racine, president of the association, chairman; Roy Ashton,

Madison; Walter Schar, Madison; William Koch, Milwaukee. If the school proves popular, another school may be conducted next fall. The fire and casualty field men have given assurance that they will cooperate to the utmost.

### Fleming to Speak in St. Paul

ST. PAUL—The first of what may be a series of monthly luncheon meetings will be held Feb. 19 by the Insurance Exchange of St. Paul. Members of the St. Paul Association of Credit Men will be guests and T. A. Fleming of the National Board will speak.

Mr. Fleming also will speak Feb. 23 at the school for janitors and watchmen sponsored by the fire prevention committee of the junior chamber of commerce. Instruction in fire hazards and the operation of fire alarm systems and sprinkler systems will be among the subjects.

### Add Auto Selling Symposium

MINNEAPOLIS—A symposium on selling automobile insurance will be an added feature at the mid-year conference of Minnesota agents here March 7-8. Ward Senn, who has been directing a state-wide campaign to bring in more auto business, will conduct the symposium.

Only a few minor details of the program remain to be worked out and these will be cleared up by the end of this week.

### Raise Rates in East Liverpool

The fire insurance rates for East Liverpool, O., have been increased by the Inspection Bureau. City officials are attempting to have the increase rescinded on the strength of the fact that they intend to submit a 1 mill levy in the May primary to increase the fire department's personnel.

### Slate McDaniel at Region 6

Lawrence McDaniel, excise commissioner of St. Louis, will be the guest speaker for the banquet at the Region 6 Institute of the Illinois Association of Insurance Agents at Belleville Feb. 15. He is a candidate for governor of Missouri and is known as an able and humorous after-dinner speaker. Thomas W. Butler, secretary of the Alton District Manufacturers Association, will be toastmaster.

### Minneapolis Club Elects

MINNEAPOLIS—At the annual meeting of the Insurance Club of Minneapolis, G. B. Stephenson was elected president; Fred D. Weld, vice-president; J. D. Twohig, secretary; Fred H. Barney, treasurer. J. O. Lindskog, retiring president, was elected a director.

### Springer Heads Lincoln Agents

LINCOLN, NEB.—M. L. Springer was elected president of the Lincoln Fire, Casualty & Surety Association at its annual meeting, succeeding J. L. Edwards. Other officers are: W. W. Woodward, vice-president; J. D. Iverson, secretary; Frank Berkman and Cecil Gates, executive committeemen.

### Divide Youngstown City Line

YOUNGSTOWN, O.—Fourteen local agencies shared in the \$195,000 insurance on Youngstown municipal properties as compared with 18 local agencies participating previously. The policies were renewed only 15 minutes before the previous ones were to expire.

### Cleveland Cuts Fire Loss

CLEVELAND—Cleveland cut its fire loss from \$2,080,000 in 1938 to \$1,040,000 in 1939. Compared to a general rise in fire losses for the nation at large, this is regarded as an outstanding

achievement. An educational campaign undertaken by the Cleveland fire department is given major credit for the improvement.

### Weigh Competitive Measures

CINCINNATI—A tentative plan to meet the competition of non-stock carriers will be considered at the meeting of the Cincinnati Fire Underwriters Association Feb. 8.

### Plan Detroit Rate Cut Fight

DETROIT—The Detroit board of fire commissioners will meet with a member of the corporation counsel's office this week to determine the proper procedure in securing a reduction in Detroit's fire insurance rates, following instructions from Mayor Jeffries.

Since the fire loss the past five years has been substantially the same, the commission believes steps should be taken looking toward a reduction, especially on small homes.

### NEWS BRIEFS

J. A. Havekost has resigned as president of the Farmers Mutual of Hooper, Neb., a position he has held for 24 years. He was recently named state treasurer to fill a vacancy and expects to file for election to that office.

At the Wichita Insurers' meeting, moving pictures of Mexico City were shown. Charles Harrison of Dulany, Johnston & Priest had charge of the program.

The "bosses day" luncheon of the Insurance Women of Wichita was held

this week with about 75 in attendance. Miss Berneeda Faulk of the Dulany, Johnston & Priest agency presided.

C. W. Price of the Kansas Inspection Bureau met with a group of Pratt, Kan., agents and fire department members, discussing better fire department methods and existing fire hazards.

Ivan L. DeVoe has opened a general insurance agency at 503 Bankers Life building, Des Moines. He has been manager of agencies of the Bankers Life of Nebraska the past five years.

Dr. R. C. Steinmetz, chief of the arson bureau of the Mill Mutuals, Chicago, addresses the fire prevention school sponsored by the Columbus chamber of commerce Thursday on "Fire by Arson."

E. S. Wicks of the Wicks Insurance Agency, Kalamazoo, Mich., was selected for its "Who's Who in Kalamazoo" column by the Kalamazoo Gazette.

Omitted from the list of Indianapolis concerns that were honored at a special dinner by the chamber of commerce of that city for having been in business for more than 50 years was the agency of Theodore Stein, Jr.

C. E. Preslan of Cleveland, who specializes in motor transportation insurance has moved his offices to a new and larger suite at 1921 N. B. C. building. Since 1916, Mr. Preslan has been specializing in the writing of motor transportation risks, and since 1931 has maintained a state-wide inspection service of the motor truck equipment of his clients. Mr. Preslan's son, Victor A., has joined the agency, and has charge of production of new business.

## IN THE SOUTHERN STATES

### Set Annual Meeting of Virginia Agents

Stuart Ragland of Richmond, president of the Virginia Association of Insurance Agents, announces that the annual meeting will be held at Virginia Beach, May 30-June 1. Three of the chief speakers already selected are President Sidney O. Smith, National Association of Insurance Agents; Vincent Cullen, president National Surety, and F. W. Potter of Hartford, field supervisor of the Aetna Casualty & Surety. It is the plan of the officials to present a program of educational nature.

The Virginia association will have a school either the latter part of June or the first of July. W. F. Curtis is to be in charge. He conducted the first school held at the University of Richmond for agents in that city and any others desiring to take the course. Mr. Curtis is a member of the firm of Boswell & Curtis of Richmond, general agents of the National Surety.

### Membership Campaign

President Ragland is serving as chairman of the membership committee of the Virginia association. A membership drive has been inaugurated and each board member has been furnished with a list of eligibilities in his district that are not members. President Ragland has offered a cup to be presented at the end of the campaign to the man who secures the largest percentage of non-members in his territory. At the present time J. A. Burke of Appomattox is leading.

### Henry Greenfield Is New Houston Exchange Head

HOUSTON, TEX.—Henry Greenfield was elected president of the Insurance Exchange of Houston at the annual meeting of the directors. Russell L. Jacobs is vice-president; Val S. Dawson was reelected as treasurer, and John W. Daniel, executive secretary.

New directors are: Albert H. Bevan,

Ben A. Calhoun and Roy D. Montgomery. Hold over directors are: Buford Goodwin, Floyd E. Ford, Ben H. Ward, Mr. Greenfield, Mr. Jacobs and Mr. Dawson. Retiring president John R. Young becomes ex-officio a director. Retiring directors are Louis A. Stevenson and W. L. Thaxton.

The exchange has a membership of 143 exclusively stock local recording agency firms. A resolution was adopted commending the efforts of Mr. Young and it was ordered that a scroll be presented to him.

### Adjuster Addresses Rotarians

MONTGOMERY, ALA. — E. B. Eady, manager Fire Insurance Companies Adjustment Bureau, speaking before the Rotary Club, said a fire insurance adjuster must be a man who knows the value of almost everything and who can maintain the full confidence of all groups concerned when losses occur.

### Rate Study Group Recesses

AUSTIN, TEX.—A special committee of the Texas house which has been investigating adequacy of insurance rates, has recessed its meetings until September, at which time it will begin drafting its report and recommendations to the next legislature in 1941.

### Dallas Suburb Seeks Reduction

DALLAS—Preston Roads, an elite residential suburb of Dallas, has started a fight for a reduction of 25 percent in fire rates. The community has cited its fire experience over a period of years. One company recently slashed rates in this suburb 25 percent and when a protest was filed by other companies, the state board rescinded its permission to make the reduction.

### Gross Earnings Form Enlarged

NEW ORLEANS — The Louisiana Rating & Fire Prevention Bureau has authorized use of the "gross earnings" coinsurance use and occupancy form for non-manufacturing risks. Previously it was restricted to mercantile risks. This

### Old Policy on Virginia Home Is Discovered

RICHMOND, VA. — The Orange county, Va. clerk's office has uncovered a fire policy issued Oct. 30, 1830, by the Aetna Fire to Major Ambrose Madison, covering his home at Madison Mills in that county for \$2,000 for one year, the premium being \$20. Major Madison was a brother of James Madison, fourth president of the United States. The house, still standing, is now the property of a kinsman of Major Madison. Tradition has it that the home and the land on which it stands has never been sold, being part of a grant from the English crown in 1723 to Ambrose Madison, grandfather of the major.

change has been made in a number of other jurisdictions.

The 5 percent waiver of inventory clause, which was originally part of the standard Louisiana coinsurance clause, has been separated and the two clauses are now printed separately. No change has been made in the rules for either clause.

### Distress Rule Again Invoked

SPRINGFIELD, TENN.—The Springfield Exchange on behalf of E. A. Covington & Co., has invoked its "distress rule" on account of a fire which destroyed the entire building in which the Covington agency was located. Fortunately, a safe containing records required for renewals, etc., was saved.

The same rule was invoked by the Jackson Exchange recently on behalf of its president, A. V. Patton, who remains seriously ill following a heart attack.

### More Than 100 at Norfolk

NORFOLK, VA. — Undaunted by unfavorable weather, more than 100 agents were present at the meeting of the Virginia Association of Insurance Agents here.

### Will Speak to Credit Men

Two prominent insurance men will speak before the Louisville Credit Men's Association Feb. 14, they being Spencer Welton, vice-president Massachusetts Bonding, and E. D. Lawson, western manager of the Fireman's Fund group.

The first Business Development meeting of the season in Oklahoma City attracted more than 400 business men and women to the Friday Forum of the Chamber of Commerce. Wallace Rodgers, assistant manager Western Underwriters Association, was the key speaker.

Lewis Miller, head of the insurance department of Ellis, Nicholson & Kramer, Oklahoma City, is the father of a son.

## EAST

### Make Legislative Proposals in Md.

Commissioner Gontrum of Maryland has submitted a number of suggestions for study to the Maryland legislative council that was created to study the requirements of the various state departments with a view to facilitating legislation. Mr. Gontrum emphasizes that he is not making recommendations, but is merely passing along proposals that have been advanced from time to time for the committee to sponsor.

One suggestion is that public adjusters be licensed.

There is a suggestion that an agency qualification law be enacted.

The suggestion is made that a 5 percent premium tax be exacted on all unauthorized insurance except life, health

and accident, in place of registration and taxing of policies covering property risks only. Another suggestion is that a valued policy law be enacted.

There is a suggestion that the law be strengthened in regard to the financial setup of mutual casualty companies.

There is the suggestion that so-called advisers or counsellors be licensed by the department. There is the suggestion that a uniform liquidation statute be enacted.

There is the suggestion that there be complete reorganization of the fire marshal department.

An agency qualification law was passed at the last session of the legislature but it was vetoed on constitutional grounds. The suggestion is made that the council study that measure and also the model agency qualification law prepared by the National Association of Insurance Agents.

Mr. Gontrum states that much unauthorized insurance is written in Maryland in the blanket bond, compensation, fidelity and surety and horse race fields.

### Study Not Complete

Mr. Gontrum states that he has not completed his own study of the financial setup of mutual casualty companies, but that the results of such study will be submitted to the council later.

Principally because of lack of funds, the fire marshal's department has been virtually non-existent. Mr. Gontrum suggests that there be appointed a special deputy to serve as fire marshal and to supervise investigation of suspicious fires and inspection and elimination of fire hazards, etc.

Mr. Gontrum suggests the law be changed to give the commissioner discretionary power to refuse to license some classes of companies on the grounds of public policy, even though they may meet the minimum capital and surplus requirements.

Mr. Gontrum suggests that the provisions of the Illinois code be copied respecting the operation of Lloyds associations.

Mr. Gontrum suggests that he be given authority to impose fines upon companies and their agents for offenses that are not great enough to justify suspension or revocation of licenses.

### Pink Names Aids on Examinations

Superintendent Pink of New York has appointed two advisory committees of insurance people to collaborate with the department in preparing and giving examinations for agents, brokers and adjusters. One committee will work in connection with life and accident and health examinations and the other will give attention to the brokers, adjusters and agents in the fire, casualty and surety field.

The examination requirements of the new New York code put a burden on the Albany staff of the department and Mr. Pink desired to have outside help and advice.

The fire-casualty committee consists of:

Herman Grebert, Fire Companies Adjustment Bureau; Edward R. Hardy, Insurance Institute of America; Harry Mang, Rose & Kiernan, Inc.; Mortimer L. Nathanson, vice-president, Brooklyn Insurance Brokers Association; Sherman Drake, National Surety; Russell M. L. Carson, president New York State Association of Local Agents; A. J. Smith, president Association of Local Agents of the City of New York; George Duxbury, North British & Mercantile; Samuel Shotwell, North British & Mercantile; Frank A. Christensen, America Fore; Henry H. Reed, North America.

On the life committee representing accident & health are: A. D. Dozois, Massachusetts Indemnity; E. F. Dwyer, Travelers Indemnity; A. J. Voorhees, Aetna Casualty.

### Western Pennsylvania Office

The Automobile and Standard Fire of Hartford have established a western Pennsylvania service office to be under



the supervision of G. M. Healy, formerly manager of the marine department for J. W. Henry & Son, general agents in Pittsburgh. Mr. Healy has been with the organization since 1928, and has been a special agent in the marine departments of the Philadelphia, San Francisco, Boston and New York offices. He will be assisted in his new position by K. E. Slocum, who has been a special agent in western Pennsylvania since 1937.

The western Pennsylvania service office is located in the Chamber of Commerce building, Pittsburgh.

#### Wheatley Heads Abington Mutual

ABINGTON, MASS.—Directors of the Abington Mutual Fire have elected John R. Wheatley president to succeed the late A. H. Nash, who died in November. Mr. Wheatley is district attorney for Plymouth county with offices in Brockton. W. A. Robbins was re-elected secretary and also made treasurer. Management will be in the hands of Secretary Robbins who has been with the company since 1922. H. I. Perry was elected assistant secretary-treasurer.

#### Maryland Department Moves

The Maryland insurance department has moved into new quarters in the Union Trust building, Baltimore, occupying practically the entire ninth floor.

#### E. W. Panzer Is Advanced

London & Lancashire has appointed as agency superintendent E. W. Panzer, who during his 27 years of service has been in the underwriting and loss departments, as special agent in Massachusetts and western Pennsylvania for the last year has been assistant manager of the southern department, which he will continue to supervise. Mr. Panzer also becomes agency superintendent of Law Union & Rock and assistant secretary of Orient.

C. F. Scholl, whose duties Mr. Panzer takes over, has been granted a leave of absence preparatory to his retirement June 30, after more than 50 years of active service.

made of lowered fire rates on private property in the city, effective Feb. 1. The city is divided into two sections with variable rates, not applicable to industrial or business properties. A new rating system on a three-year basis for unexposed dwellings has now been introduced following a C.U.A. survey.

#### Campion Ontario Special Agent

R. H. Campion has been appointed special agent for Ontario by the New York Underwriters. He has been associated with the company in Canada for a number of years.

#### Western Canada Field Men Elect

H. W. Greatrex, Hartford Fire, has been elected president of the Western Canada Field Men's Association. D. M. Miller, London & Lancashire, is vice-president and F. H. Hopkins, Liverpool & London & Globe, secretary-treasurer.

#### Canadian Marine Board Elects

C. M. Ormston has been reelected president of the Canadian Board of Marine Underwriters Association. E. W. Schaffler is vice-president and H. C. Beatty, secretary-treasurer.

George Falconer (chairman), J. B. Hall and C. Capper were elected to the executive committee.

The board is working for a uniform marine insurance act in the different provinces of Canada.

#### Close Winnipeg Branch

Union Fire, Accident & General of Paris have closed their Winnipeg branch office. A. B. McDonald, resident representative, is being transferred to the head office in Montreal.

R. J. Blanchet has become a member of the insurance brokerage firm of Wm. L. Niddrie, Ltd., Toronto. His insurance career goes back to 1911. He has been with the Canada National Fire, London Guarantee & Accident, Toronto branch manager of General Casualty of Paris and agency supervisor of the Rhode Island.

his father, the late George D. Dornin, was coast general agent. Date for the retirement will be set at the Feb. 13 meeting of the company's directors.

John C. Dornin, who has served on numerous committees and as president of the Pacific Board during his long career, succeeded his brother, the late George W. Dornin, when the latter retired in 1930, as manager.

The Dornin family has supervised the business of the Springfield for many years and in 1895 John C. left the local agency business at the behest of his father and became a special agent for the company and National of Hartford, covering Washington, Idaho and Montana. Following the death of Mr. Dornin, Sr., George W. Dornin was advanced from assistant coast manager to manager and John C. Dornin was brought to San Francisco as assistant manager.

Dr. Dornin has served on the Washington advisory committee, as director of the standard forms bureau, the executive committee of the Pacific Factory Association and as chairman of the executive committee and president of the board. He has also headed a number of other important committees of the organization through the years.

He is a real golf enthusiast—matched only by his tremendous interest in gar-

dening. He boasts one of the handsomest gardens in the famed suburb of Piedmont, just across the bay from San Francisco.

#### New Officers Installed by Santa Barbara Agents

SANTA BARBARA, CAL.—New officers of the Santa Barbara Insurance Association were installed at the annual dinner meeting. Joseph W. Kern is the new president; R. F. McFarland, vice-president, and Helen V. Meng, secretary-treasurer.

Mac O. Robbins of Santa Ana, oldest living past president of the California Association of Insurance Agents, was the principal speaker. Harold I. Callis, president of the California association, acted as installing officer. Mr. Robbins spoke on the "Three V's," explaining that they are: "Vocational service through the agents' business, vocational service to the insurance business; and vocational service to business as a whole."

"Be convinced that your business fills a public need," he said. "Enthusiasm also is a great quality and an essential to enthusiasm is pride. A man cannot be enthusiastic unless he is proud of the business in which he is engaged." He urged recognition of the profit motive

## CANADIAN

### Insurance Company Taxes to Be Boosted in Ontario

TORONTO—Premier Hepburn of Ontario has announced that it is the intention to pass a bill in the present session of the provincial legislature which will impose higher taxes on insurance and banking. The bill now being prepared for legislature provides for an increase from 2 to 5 percent in the tax on net income payable by incorporated companies. In addition there is a surtax of 25 percent on taxes now payable by banks and insurance companies. The new taxes will be retroactive, applying to all fiscal years which ended on or after Jan. 1, 1939.

### Lower Rates for Quebec City

QUEBEC — Following negotiation between officials of the Canadian Underwriters Association and the mayor of Quebec, announcement has been

## COAST

### Pacific Manager of Springfield Retiring

SAN FRANCISCO—John C. Dornin, highly esteemed Pacific Coast manager of Springfield Fire & Marine, will retire from active business in the very



JOHN C. DORNIN

near future, bringing to a close a career with the company that started as a local agent in Everett, Wash., in 1892, when

## Tradition . . .

Developed in the fine traditions typical of New England . . . our greatest heritage is the constancy of our agents. Their loyalty through many years has become traditional.

## RHODE ISLAND

INSURANCE COMPANY  
INCORPORATED 1905

BYRON S. WATSON  
PRESIDENT

FIRE - AUTOMOBILE - INLAND MARINE  
THE INSURANCE BUILDING  
PROVIDENCE, R. I.

## NATIONAL INSPECTION COMPANY

CHICAGO, ILLINOIS

Service to Stock Fire Insurance companies for 38 years.  
Inspections and Underwriting Reports.

J. G. Hubbell,  
H. B. Chrissinger, } Managers

R. L. Thiele, Ass't Mgr.  
M. E. Bulske, Chief Inspector

## QUEEN CITY FIRE INSURANCE COMPANY

SIoux FALLS S.D. P. LEMEN, President SOUTH DAKOTA  
1905 Thirty-five years of service 1940

**FACTUAL APPRAISALS**

Impartial Valuations of Industrial and Commercial Property . . . A quarter century of factual appraisal service to America's more conservative business institutions.

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APPRAISAL ENGINEERS  
EXECUTIVE OFFICES  
NEW YORK CHICAGO  
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and its advantages. The service ideal, he said, includes the profit idea.

Other speakers were Gene Hogle, director department of public contact National Automobile Club; L. L. Brown, southern division manager of the club, and A. R. Anderson, district manager.

### Oregon Committee Hears General Exchange Man

PORTLAND, ORE. — At a meeting of the executive committee of the Oregon Insurance Agents Association in the offices of the Portland Insurance Exchange, with George W. Haerle of the state association presiding, C. W. Connell, San Francisco manager of General Exchange, presented the views of his company on licensing automobile dealers in Oregon as agents of the newly formed Motors Insurance Corporation.

Secretary H. G. Vallentyne reported on the plan offered by the Bonneville Project Association, a cooperative comprising about 500 members of Bonneville Dam Project for securing fire and automobile insurance for its members on a preferential basis.

After Mr. Vallentyne told the Bonneville group that the proposition violated the anti-rebate statute, the board of governors adopted a resolution to abandon the plan and recall their previous approval of it.

### A. E. Smoll Is Denver Speaker

DENVER — Warning against the folly of trying to argue statements with the mutuals, A. E. Smoll, past-president of the Wichita Insurers, speaking before the Denver Association, urged agents to concentrate on selling themselves to the public through cooperative efforts.

Mr. Smoll told how the Wichita board was formed to eradicate evils such as unfavorable loss ratio and attributed its success to sincere cooperation by the members. He cited cases where agents had personally sacrificed large premiums to make certain that the business would stay in the hands of the board rather than changing with each new political administration, and showed how indirectly this self-sacrificing attitude has paid high dividends for every member.

### Funds for Fire Marshal Sought

SAN FRANCISCO — In addition to a bill which provides for a salary of \$6,000 per year for the state fire marshal of California, another measure has been introduced in the legislature providing for an appropriation of \$75,000 for salaried assistants to the fire marshal. The assistants are to be stationed in state hospitals, institutions and schools, for fire prevention and fire protection work.

Previously the state fire marshal's office carried no salary, Jay W. Stevens, chief National Board Fire Prevention Bureau, having filled the office since its creation in 1923 without compensation. Mr. Stevens was replaced last year by Lydell Peck, Oakland attorney.

### Association Handles USHA Line

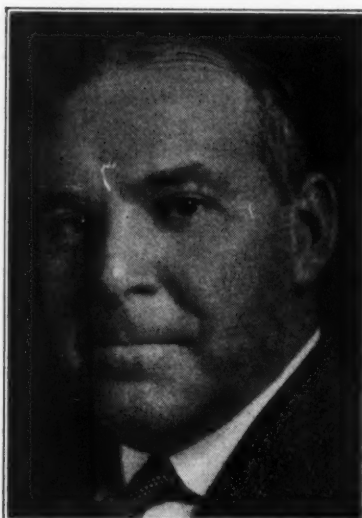
SEATTLE — Insurance on the \$3,000,000 USHA project to be developed by the Seattle Housing Authority will be written through the King County Insurance Association, under the so-called "Oakland plan."

All forms of insurance, including fire, casualty and bond coverages, will be placed in the association. LaBow & Haynes will serve as manager for the line to service the requirements of the Seattle Housing Authority.

### New Dividend Payer in Wash.

Houston Fire & Casualty has re-entered the state of Washington through the Pacific Insurance General Agency which was recently organized in Seattle by A. C. Boncutter. It will write fire insurance in the state on a participating basis, paying 20 percent dividends to policyholders. Mr. Boncutter was connected with Stevens & Hopps when they were United States managers of Pearl and then from 1935 until last October he served as executive special

### Pacific Factory in 1939 Had Best Year in History



CLIFFORD CONLY

Clifford Conly, Great American, was elected president of the Pacific Factory Association at the annual meeting in San Francisco. Ray Decker, Royal-Liverpool, is vice-president and C. D. Lasher, Home, is chairman of the executive committee. Manager F. H. French reported that 1939 was the most successful year in the history of the organization.

agent on the coast for Pearl. The office of the general agency is in the Colman building.

### Vallentyne Has Dual Task

In connection with the combining of the management of the Oregon Insurance Agents Association and the Insurance Exchange of Portland, Howard J. Vallentyne, executive secretary of the Portland Exchange, takes the same position in the state organization. The Portland Exchange has joined the state association on a coextensive basis. Joint offices are now conducted in the Board of Trade Building, Portland. Each organization retains its identity and shares equally in the fixed overhead.

### Corwin With Balfour, Guthrie

The general agency business heretofore conducted by Carl N. Corwin Company of San Francisco is being merged with that of Balfour, Guthrie & Co. Mr. Corwin joins the head office of Balfour, Guthrie & Co. These companies formerly represented by Mr. Corwin will be represented by Balfour, Guthrie: Washington Underwriters of National Liberty; Carolina, Homestead, Queen Underwriters of Queen.

### All Must Be Licensed

SAN FRANCISCO — Commissioner Caminetti has issued a ruling that all persons to whom commission is paid must be licensed either in California or in the state in which the person is a resident. The rule affects non-resident brokers licensed in California who place business for other agents.

### Pacific Coast Councillors

The annual meeting of the national councillors of the National Association of Insurance Agents in far west territory is set for Feb. 10-11 at Oakland. Frank England, Jr., secretary of the Colorado association, is secretary of the conference. C. E. White, Oakland, California councillor, will be temporary chairman.

### Mortenson to Los Angeles

Crawford Mortenson has been transferred from the head office of the Fire-

man's Fund group in San Francisco to the southern California department in Los Angeles, in charge of production and engineering services. Heretofore these services have been handled by the field and general office forces, but now will be concentrated under Mr. Mortenson, who is a graduate engineer.

### Agency Receivership Permanent

LOS ANGELES — Superior Judge Gates has granted a permanent receivership for the H. C. Johnson and Carter-Freeman agencies, on petition of the Lumbermen's, Firemen's, California, Ocean Accident, Commercial Casualty and Pearl and W. B. Brandt & Co., Edward Brown & Sons, and T. V. Humphreys general agencies.

Judge Gates held valid the agreement with the companies under which the Carter-Freeman Company was to work out the Johnson indebtedness on a 20 percent basis on old balances and to keep up the current balances and that all moneys collected as premiums by agents are held in a fiduciary capacity.

Frank Finnen has been in charge of the offices as temporary receiver.

### NEWS BRIEFS

The Phoenix Society of San Francisco, organization of "fire-buffs" and "red-hots," is holding its first "ladies night" Feb. 14.

Members of the San Francisco Insurance Women's League turned out "en masse" for the annual banquet of the San Francisco Blue Goose. Since formation of the league, members have served as "unofficial hostesses" during the annual meetings of the Fire Underwriters Association of the Pacific.

Guy W. Shirley, special agent Automobile Protective & Information Bureau, has been named chairman of the Denver Safety committee.

John Young, who has been connected with the "Pacific Insurance" magazine, has gone with the Washington General Agency at Seattle. He traveled at one time for the Firemen's group and Liverpool & London & Globe in the Pacific northwest.

### Calvert Elected a Member

NEW YORK — A late accession to the membership of the National Automobile Underwriters Association and National Automobile Theft Bureau is the Calvert of Baltimore, a subsidiary of the Commercial Credit Co. of that city.

### Leaves Office



HUGH H. EARLE

Hugh H. Earle is retiring from office as Oregon insurance commissioner March 1. Governor Sprague has appointed Seth Thompson, well known life insurance man, as the new commissioner.

## MOTOR

### Slash Truck Rates Up to 1 1-2 Tons

The National Automobile Underwriters Association has promulgated a change in definition of trucks that works very much to the advantage of such vehicles weighing from 3/4 ton to 1 1/2 tons manufacturers load capacity. The change is already effective in a number of states. The definition of light commercial automobiles is modified to include trucks, truck type tractors, trailers and semi-trailers up to 1 1/2 tons. In the past, the definition has applied to trucks up to 3/4 ton only. Trucks in the light commercial class are rated as local hauling regardless of the distance of operation. The limitation of use endorsement is not required on light commercial risks.

Most of the trucks between 3/4 and 1 1/2 tons in the past have fallen into the intermediate hauling class, although a few were also in the long haul group. There is a substantial decrease in rates for fire and theft from the intermediate to local hauling classification and there is a reduction in the collision that seems to run about 20 or 25 percent.

There has also been approved a reduction of the fire rate applying to hearses, ambulances, and invalid cars to 25 cents per \$100. This rate applies to automobiles used for a combination of the purposes of hearses, ambulances and invalid cars. This reduction does not apply to police patrol wagons and police department automobiles, which types are presently included in the same manual rule for hearses, ambulances and invalid cars.

### Western Auto Rates Unit Deliberates in Peoria

The rates committee of the western branch of the National Automobile Underwriters Association is in session in Peoria, Ill., this week, going over the experience for the past year and making recommendations to headquarters for the new rates. The meeting is held outside of Chicago, so that the members will not be distracted by their daily routines. A. M. Wagner, manager of the automobile department of Hanover Fire, is chairman. E. L. Rickards, branch secretary, and Paul Fry, assistant branch secretary from Chicago, and Actuary William D. Hall are participating.

### J. E. Verbiest Joins Brother

John E. Verbiest, for many years assistant general adjuster for D. F. Broderick, Inc., has resigned that company to become claim supervisor for Mid-America with headquarters at Detroit. Mr. Verbiest has had considerable experience, specializing in automobile insurance. He is a brother of C. M. Verbiest, president of Mid-America, the company that was recently formed as an affiliate of General Finance Corp. of Chicago. C. M. Verbiest also was formerly with D. F. Broderick, Inc.

### Auto Warning in Missouri

Superintendent Lucas of Missouri has issued a warning to companies religiously to adhere to their automobile fire, theft, comprehensive and collision filings. He states that he has been informed that various companies have been extremely "lax in the writing of such risks." He warns that full penalties will be exacted for violations of the filed rates and rules. He requests the companies to notify their agents of the department's stand.

L. H. Lawrence, local agent, has been elected president of the Glendale, Cal., chamber of commerce.



## MARINE INSURANCE NEWS

### Expect Little Change in Cargo Underwriting

Although insurance companies operating in Illinois must provide what amounts to all-risk cargo coverage to insured, under the new truck regulatory act which goes into effect on March 1, it is expected to have little effect on underwriting practices.

Most of the good risks for cargo are already insured and their experience is known. Since companies are not compelled by law to cover doubtful or poor risks, they can refuse to insure such operators.

In providing all-risk coverage for acceptable insured, the company reserves the right to collect from the insured for losses which occur other than for the perils named in the regular policy. While there is possibility of greater loss than heretofore, it is expected that careful underwriting will minimize the hazards involved.

A peculiar feature of the act is that, regardless of a minimum of \$1,000 for loss or damage to property carried on any one motor vehicle and \$2,000 for loss or damage to property occurring at any one time or place, an individual's legal minimum limit is the face amounts of his policy provided they are not less than prescribed by the act. For example, an insured may have \$5,000/\$10,000 coverage on cargo. That is his minimum limit.

More than 80 percent of the 250,000 trucks affected by the act fall into the private carrier classification, for which only P.D. and P.L. are required.

### Opportunities to Sell Fur Coverages Increasing

That more opportunity to sell personal fur and furrers' customers floaters now exists is gradually being recognized by producers who are watching selling practices of furrers and department stores merchandising furs.

These retailers are now extending their efforts to increase volume by holding post-Christmas season sales in January and February.

### Marine Executive Is on Pittsburgh Program



A. J. HUNEKE

A. J. Huneke, manager of the marine department of Eagle Star at the head office, is scheduled to address the meeting of the fire and inland marine people during Pittsburgh Insurance Day, Feb. 18. This session will be under the auspices of the Smoke & Cinder Club. Mr. Huneke was one of the principal speakers at the Boston convention of the National Association of Insurance Agents.

uary and February. It is reported that many are doing a considerable amount of business as compared to previous efforts during such periods.

### Fear Quick Thaw on Rivers

CINCINNATI—Marine underwriters are concerned over the possibility of a quick thaw on the Ohio and Mississippi rivers and their tributaries. The severe weather during January caused virtually unprecedented conditions, even in the deep south. Ice caused a loss near Mobile, Ala., where it is the worst in 60 years. At Cincinnati, an automobile was driven back and forth across the Ohio for the first time in history. The Mississippi is full of ice at Vicksburg. If the weather moderates gradually, there is a possibility for a minimum of damage, but should the weather suddenly become warm, heavy marine losses will follow with the probability of a flood.

The Ohio river threat had pretty well vanished by Wednesday, but the situation on the Mississippi is still being watched.

### Fayen Heads Coast Marine Board

SAN FRANCISCO—James Fayen of the Boston, was elected president of the Board of Marine Underwriters at its annual meeting, succeeding W. J. Tomlinson of Talbot, Bird & Co. He has been vice-president the past year. I. M. Kemsley, Pacific Marine Agency, was elected vice-president and Carl W. Jones, Parrott & Co., secretary-treasurer. Members of the executive committee, in addition to Mr. Tomlinson, are Herriott Small, Balfour, Guthrie Co., and Kurt Daniels, Automobile.

Outstanding accomplishment of the past year, according to the report submitted by Mr. Tomlinson, was establishment of a marine study course attended by more than 130 executives and employees of local marine offices.

### Mariners Hear Peck

C. R. Peck of the Protectoseal Company, Chicago, spoke before a meeting of the Mariners Club of Chicago on safety devices and the control of inflammable liquids, and showed a film illustrating the subject. First Mate E. H. Follingstad, Fidelity & Guaranty Fire, presided in the absence of Skipper Robert Maxwell, Home.

### W. J. Gilsdorf to Head Office

COLUMBUS, O.—W. J. Gilsdorf, state agent of the North America, has been transferred from Columbus to the home office in Philadelphia. Many of the activities of the Columbus office have been transferred to the Cincinnati regional office and C. N. Mullican, special agent, will hereafter have his headquarters in that city.

### Janesville Board Elects

JANESVILLE, WIS.—L. A. Ruchti was elected president of the Janesville Board of Insurance Underwriters at the annual dinner meeting, succeeding Floyd Yoemans. Ralph Morse is vice-president; W. B. Sullivan, reelected secretary and treasurer; Walter L. Green and George A. Jacobs, directors. James Sheridan was honored at the dinner and presented a desk set on his 81st birthday.

### Smith, Gov. Moore, Duffus Added to N. J. Program

Sidney O. Smith and two others have been added as speakers for the mid-year meeting of the New Jersey Association of Underwriters at Newark March 7-8. Mr. Smith is president of the National Association of Insurance Agents. Roy A. Duffus of Rochester, N. Y., and Governor A. Harry Moore of New Jersey are the other new speakers.

There will be a quiz hour entitled

"Let's Go Back to School." Questions will be asked from the audience and answered by a panel of field men. The Essex county Board of Underwriters will put on a sales demonstration.

H. L. Brooks is chairman of the Essex county host committee. G. E. Jamison is chairman of the reception committee; F. W. Westervelt, registration; C. W. Bollinger, banquet; A. L. Zimmerman, reservations, and Leonard Fuchs, exhibits. An attendance of more than 1,000 is expected at the banquet the first night.

### Saint Host at Dinner

NASHVILLE, TENN. — Commissioner McCormack, Jerome van Wiseman, public relations and publications

division of the National Association of Insurance Agents; E. P. Turner, Jr., president Tennessee Field Club, and members of the executive committee of the Tennessee Association of Insurance Agents, will be guests of Manager John D. Saint at a dinner Thursday night, preceding the mid-year meeting of the Tennessee association Friday.

President G. C. Long and Vice-president P. C. Cothran of Phoenix of Hartford were visitors at the Chicago offices Tuesday. President Long was touring the city with Mrs. Long as part of a vacation trip and stopped just long enough to greet some of his business associates. Vice-president Cothran was in town on another business matter, but also paused for a brief visit.

## LEADING LOCAL AGENTS' DIRECTORY

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**Conkling, Price & Webb**  
Established 1898  
Insurance Exchange Building  
CHICAGO

**CRITCHELL, MILLER  
WHITNEY & BARBOUR**  
Established 1868  
Insurance Exchange Building  
CHICAGO

**Ellel and Loeb Company**  
Insurance Exchange  
Chicago

**FRED S. JAMES & CO.**  
Established 1873  
Insurance Exchange Building  
CHICAGO  
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**Marsh & McLennan**  
Incorporated  
Insurance  
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164 W. Jackson Blvd. Chicago

**Moore, Case, Lyman & Hubbard**  
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1939—80th Anniversary

**ROLLINS, BURDICK, HUNTER CO.**  
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### LOUISIANA

**LEON, IRWIN & CO., Inc.**  
Unexcelled Insurance Facilities  
NEW ORLEANS, LA.

### MICHIGAN

**Detroit Insurance Agency**  
G. W. Carter, Pres.  
H. L. Newman, Vice-Pres.  
Louis J. Lepper, Sec.-Treas.  
Fisher Bldg. Detroit, Mich.

### MISSOURI

**Lawton-Byrne-Bruner**  
INSURANCE  
Saint Louis

### NEW YORK

**CENTRAL FIRE AGENCY, INC.**  
(Underwriting Agency)  
Risks accepted throughout the United States, Canada, Cuba and Porto Rico  
92 William Street, New York City

### OHIO

**Walter P. Dolle & Co.**  
"Insures Anything Insurable"  
Dixie Terminal Building  
CINCINNATI  
Submit Your Propositions to Us

### WISCONSIN

**Chris Schreeder & Son, Inc.**  
210 E. Michigan St., MILWAUKEE  
Engineering Service—All Lines  
The largest insurance agency in the State of Wisconsin

## F.U.A. P. Gathering Hears Review of Trends, Problems

(CONTINUED FROM PAGE 3)

greater cooperation in building membership, stressing the advantages of the important educational activities and programs which are attracting more associate members to classes.

### North Tells Sales Fundamentals

Following his review of conditions, changes and trends, Mr. Ellis called upon Henry E. North, Pacific Coast vice-president Metropolitan Life, who reviewed the fundamentals of a successful selling career—the knowledge of human nature, conduct, knowledge of business, the spirit of service and close application to business methods and work.

Herbert W. Semmelmeier, special agent Great American in Los Angeles, discussed "Selling Use and Occupancy Insurance." He presented illustrated sales presentations and detailed various points in preparing for interviews.

### Airplane Plant Hazards Improved

James H. Rea, superintendent improved risk department North America, described a modern airplane manufacturing plant, outlining hazards faced within such plants. The modern plant is not a poor risk as manufacturers are constantly making improvements to safeguard against fire, explosion or other types of disaster. He also calmed the fears of underwriters who have been anticipating sabotage in these plants by detailing the precautions being taken.

The earthquake problem was covered by H. F. Badger, secretary Pacific Board.

### Describes Cooperative Fight

Harold W. McGee, president Los Angeles Exchange and the Profit Motive Institute, appealed for individual and collective support for the Profit Motive Institute, which was formed eleven months ago to combat consumer cooperatives. He traced the history of business in the United States with the profit motive prevailing and developing a great nation. He said that in recent years this motive has been thrown into disrepute largely because of the greed

of many business men, large and small, in their shortsightedness and desire for immediate profits at levels beyond what the public considers reasonable.

"In the past 25 years," Mr. McGee said, "shocking disclosures have been made in the ranks of the profit system. Men in high places have betrayed their trusts, heads of great corporations have exploited labor, financiers have recklessly and even dishonestly swept away the savings of small investors, and all to the accompaniment—and properly so—of headlines in the press. Small wonder then that the misuse of public confidence by a comparative few in the great profit system of our nation, with its attendant publicity, has prepared a fertile field of American citizenry for the propaganda of those who believe that socialism and the abolition of the profit system will bring the brotherhood of man—Utopia."

### DEFENDS PROFIT MOTIVE

Saying that the thousands of honest, ethical profit system establishments are not written up because they are expected, Mr. McGee said that while the philosophy of the profit motive is probably not needed there is a defense sadly needed against the destruction of the system.

He said that "inside" education was needed to convince those of the "greedy" type that abuse can be reduced to the minimum and that education of the consumer was needed to prove that the profit motive is the best for the individual and the country.

Mr. McGee quoted several extracts from articles and documents supporting consumer cooperatives to indicate the scope and the extent of their operations as well as their objective in eliminating the profit system from business.

"In considering this mass of evidence of the efficiency of consumer cooperation in its campaign against the profit system," Mr. McGee said, "the Institute sought to analyze the motives of the consumer who joins a cooperative. In general, it was found that the motive was a natural one—that of saving money on his purchases. Rarely has the thought of cooperative ideology or a change in our social or economic order entered the mind of the cooperative recruit. That comes later.

### Institute Will Fight

"If, then, the rapidly swelling enrollment in the consumer cooperatives is initiated by the desire for personal gain, an organized appeal to that desire should be made by the advocates of the profit system. The consumer should be shown that the savings made by membership in a cooperative afford only personal gains of a temporary nature, which are futile indeed when weighed against the lot that would be his, should consumer cooperation attain its ultimate goal."

Mr. McGee said that the Profit Motive Institute expects to employ a full time staff and asked for financial and personal support.

The "declaration of guiding principles" adopted and set into operation by the California Association of Insurance Agents, was held to be one of the most promising systems devised to bring some semblance of order out of the present unsatisfactory agency situation, by Harold I. Callis, president of the agents' organization.

He said that too many individuals are appointed agents without due consideration of their competency and with no intention of staying in the business. These persons have loaded a great cost upon the insurance companies. The public is paying the cost for expert, competent service but is receiving in its place in too many instances no service at all and is really making a donation to charity.

Saying that he did not intend to infer that all producers are unqualified but that the majority are serious-minded about their business, Mr. Callis said that it is the job of company executives, field men and organized producers to seek out those now engaged in the business who are or who may become truly representative and to provide them with the tools necessary to build an informed, qualified sales force. He said the recent formation of the Insurance Institute of California by the agents association was for the purpose of furthering the present facilities to every district in the state, on a mobile basis. Any program directed toward raising standards in the business should instill public confidence in insurance, strengthen the insurance companies and produce qualified and expert agents and brokers.

### North Asks Self Correction

To build and preserve the proper public reaction to fire insurance, H. P. North, assistant director Business Development Office in San Francisco, advocated inquiry into undesirable conditions and convictions by the business itself. He said that the art of "buy-manship" has been studied by consumer groups and that today people look carefully into the production costs of the things they buy—and, in his opinion, this tendency is increasing.

"Rule No. 1 in the prudent operation of a fire insurance company," said Mr. North, "is to keep it solvent, and we should at all times charge a price adequate to guarantee that condition, a procedure which no man or group of men can condemn, but to maintain a price beyond that point is rank stupidity in the light of the growing tendency of investigations and inquiries. It is none the less indefensible to maintain in any given area a price for our product that is unwarranted in the light of our experience over a period of years. It is likewise an excursion into an imprudent and dangerous premise to discriminate between buyers of a similar product where such discrimination is based solely upon a stupid procedure that cannot be defended. It is a credit to any business voluntarily to correct its injustices and its unfair practices, but it is never a matter of credit when any business is forced by legislative enactment or public indignation to make these corrections."

### FALLS ON CREDIT WORK

To indicate that there are great many individuals with automobiles and property still in actual need of adequate insurance protection, Laurence E. Falls, vice-president American of Newark, cited figures from the National Association of Credit Men indicating that more than \$600,000,000 is lost by business firms through credit, a great amount resulting from fires.

He said that more than 40 percent of the firms and business houses in this country suffering losses by fire do not reengage in business. Frequently they collected full indemnity under fire property damage insurance but carried no business interruption insurance.

### Full Protection Makes Friends

"The satisfied policyholder," Mr. Falls said, "becomes an informed exponent of the value of insurance. The absence of worry over the uncertainties of life, to which adequate insurance contributes much, permits him to sleep better at night, and helps to make him a calmer and more effective unit in our civilization. The properly insured policyholder becomes more of a friend to the insurance business, and the insurance business, like every other business, needs friends. These friends are the most dependable bulwark which any enterprise can have against hysterical legislative interference, and against organ-

ized attacks upon the profit incentive, which has been the motivating force in the development of the most reliable insurance system yet devised."

Mr. Falls reviewed the development of relations with the National Association of Credit Men, the revision of the insurance statement form devised by the insurance committee and adopted in 1938. The credit men look to the insurance business and its agency organization throughout the country to effect distribution of needed insurance to reduce the millions of dollars lost to business each year.

"If there were no other opportunities in the insurance business," Mr. Falls concluded, "this one alone would be enough to encourage the most enterprising to learn the details of the business and devote to it the energy and the efficiency which any other successful and useful business demands of those who receive its rewards."

### FIELD MEN'S PROBLEMS

Special agents representing non-board or non-organization companies are not confronted with the same salesmanship problems as those representing board companies, John A. Soderberg, special agent Continental, Seattle, stated. "Our methods differ in that they must conform to those regulations which we have voluntarily assumed through organization, because we hope that the observance of these regulations will be for the betterment and stability of the business."

He said the fire insurance business is sufficiently elastic to permit individuals to use initiative and character in their activities and therefore, "when one salesman has a better knowledge and employs more intelligent adaptation of these regulations and insurance principles, he secures a merchandising advantage. Individuals with superior knowledge have the ability to create a product which better suits the customer's requirements. It becomes preeminently important that a salesman in the insurance business have a good knowledge of his product and our business."

"Advancement and success, as in many other lines of work, are dependent upon additional factors. I believe that understanding of human nature is essential; good character, personality, self-confidence and a desire to work should not be lacking. Great success, however, cannot be achieved without all of these. Knowledge is the tool—the other attributes enable us to use that tool."

### PAUL F. McKOWN'S TALK

The production side of the fire insurance business—the commercial side—must be kept separate from the rate making side—the scientific—in the opinion of Paul F. McKown, Pacific Coast manager St. Paul Fire & Marine.

"The two sides have little in common," said Mr. McKown in concluding his paper in which he reviewed rate history and development—and today's conditions. "Commercialism means expediency and calls for compromise. Science can make no compromise and cannot recognize expediency. Commercialism needs latitude in its constant search for profit but the laws of science must be held inviolate. Until the boundaries are established there can be little hope for cooperation between the two."

### Wants Actuarial Bureau

Mr. McKown suggested: "Can we not have an actuarial bureau to make our Pacific coast rates or must the rates continue to be subjected to the whims of the committees? Can not the final decisions on the rates and the forms rest with the capable administrators of the Pacific Board or must approval continue to be gained from the whole membership by written vote? Can not the scientific side of the business be isolated or must it continue to be dominated by the commercial side?"

"But if the board is to make the tran-

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sition to some other form of rating, we may ask, what of the expense and the time and the labor that will be involved?"

In leading up to his conclusion Mr. McKown mentioned the present unstable conditions, attempts throughout the country to establish universal schedules and the success of the farm schedule in California. The latter, he said, was to the credit of the Pacific Board but he then went on to outline the many undesirable and unstable elements.

Mr. McKown said:

"So, what of the antiquated tariffs and schedules that still serve as our guiding star in the Pacific Coast jurisdiction? What of the vicious scheme of 'relief' that has left in its wake nothing but trouble and discontent and a scrambling of the rates? Remember—no system of business can rise higher than the intelligent interest of its members. Shall we permit ourselves to be led on blindly by these false standards?"

#### Interest in Educational Activities

Reports were made by H. B. Mariner, executive secretary and treasurer, and C. E. Colvin, chairman educational committee. Mr. Colvin outlined the enlarged educational program and told of the increased interest being shown by the younger company employees during the past year, resulting in a record registration this spring.

The banquet toastmaster is Charles L. Barsotti, manager Fire Association. Mr. Falls is the principal speaker.

More than 400 attended the annual dinner dance of the San Francisco Blue Goose. T. F. Ryan, most loyal gander, and his committees provided a unique evening's entertainment.

The following were elected to life membership in recognition of 25 years as active members: Fred S. Dick, E. F. Evans, John A. Faull, B. C. Fischer, W. W. Gilmore, George T. Richmond, F. J. Root and F. O. Vincent.

Out-of-state insurance commissioners attending the meeting include: C. C. Neslen of Utah, president National Association of Insurance Commissioners; Sullivan, Washington; Earle, Oregon; Schmidt, Nevada; Walrath, Idaho; and Holmes, Montana.

## Paves Way for Important Rulings

(CONTINUED FROM PAGE 21)

earnings basis, as well as any which may be written on a retrospective basis, require audits. Some companies are equipped to make such audits and some are not. The filing of rates is a useless gesture unless proper audits are made for every risk, according to the department. The department states it feels that it should have evidence that adjustment premiums under these plans of rating are in accordance with rate filings.

In arriving at experience rates, it is necessary that experience of the previous carrier be obtained which the department states is not always possible. The department declares that an arrangement might be made that such exchange of experience data clear through the department.

The department states that it is not altogether consistent that distance limitation rules should apply to trucks insured individually, but not when insured under fleets.

The department believes that fleet rating might be made more accurate as well as rating of individual commercial cars if those cars were classified for rating purposes following the classification for licensing purposes.

The department suggests that the companies set up a committee of 12 or 15, representing all interests, including the casualty and fire ends of the automobile business.

The companies are requested to have their replies to the bulletin in the hands of the department by Feb. 12.

Recently the department got up a memorandum on the subject of fleet rat-

ing which incorporated the views of the National Bureau of Casualty & Surety Underwriters and of a number of individual companies on the subject. In that memorandum, the department indicated its belief that equity rating plans are discriminatory but that uniform fleet rates and rating methods should be followed by all companies and that some central agency or agencies be established for the promulgation of all fleet rates and the assembling of experience data on which such rates will be predicated.

#### Problem of Central Bureau

The memorandum states that in reviewing the answers made by casualty companies to the acquisition cost questionnaire of the Illinois department it is found that equity rates play a major part in several classes of casualty business and probably more important with automobile liability than with any other. If the department has the right to require all companies to follow a uniform fleet rating practice the question then is how a central bureau for handling the rates can be set up. There must be such a bureau, according to the department, because the rates are based on experience and in no other way can that experience be gotten from the previous carrying companies.

The National Bureau opinion was that the rates that have been promulgated to the member companies on fleet risks in Illinois have been established in accordance with the rates, rules and rating plans for fleet business which are on file in Illinois. The bureau stated that unless the basic rates and rules and rating plans for fleet risks are made uniform as respects all companies, each company or group is entitled to the same consideration in any approval that may be granted to any deviation in such rates from any standard now established or to be determined by the department. The bureau cites the provision in the Illinois law providing for the determination of special rates for automobile fleets.

#### Need Real Uniformity

The Bureau expressed the belief that unless the rates, rules and rating plans for automobile fleets and other ratable risks are made uniform as respects all companies it is impracticable to administer the rating of such risks through a central agency established for the purpose.

American Automobile is quoted as agreeing with the department that equity rating plans are discriminatory and goes on to allege that they are "arbitrary, punitive and wholly iniquitous devices whose justification has never rested upon any higher moral ground than the competitive caprice of those companies that have sponsored and used it." American Automobile favors abolition of equity rating.

"As to whether fleet rates and rating methods should be uniform for all companies," American Automobile states, "we call attention to the fact that the director has many times expressed himself as against the elimination of rate competition where individual risks are concerned. Why is there any better argument in support of absolute uniformity of rates as regards fleet risks? We concede the desirability of fleet rating formulae and that in order to permit a system based upon formulae to function there ought to be free and complete experience data among companies . . . but we do not for a moment subscribe to the theory that fleet rating formulae need to be uniform. To compel such uniformity would eliminate competition; retard the free play of individual initiative, and ultimately . . . result in higher rates than necessary."

#### Prefers Voluntary Agreement

American Automobile expressed the belief that the companies would voluntarily agree to the universal exchange of experience data on Illinois fleet risks. This would eliminate the cost of maintaining central information clearing houses and would speed the service.

Commercial Standard is quoted as

agreeing with the department that equity rating plans should be discontinued. It states that uniform fleet and experience rating is desirable but that unless experience rating can be placed under the direct jurisdiction of the department with proper arrangements made for filing of daily reports for checking purposes uniformity cannot be achieved.

Pearl Assurance states that the suggestion that all companies designate some central agency for establishing and promulgating fleet rates is not entirely agreeable to Pearl. "Our own experience," Pearl asserted, "is clearly outlined that deviation on certain classes in certain territories produced excellent results and we would not have this privilege removed by the more or less indirect method of having fleet rates promulgated for us by a bureau."

The Chicago Motor Club advocates discontinuance of equity rating. It states that a uniform fleet rating formula relating to discounts should be followed by all companies and that the uniform discount should be applied to the respective basic rate schedules of the company.

Francis M. Gorman, who had been connected with the marine department in New York of Marsh & McLennan for 25 years, died suddenly the other day.

## Agents Pursue Contingent Demand

(CONTINUED FROM PAGE 3)

Fire Underwriters' secretary has not replied to repetition of the agency association demands, according to officers of that group.

While Mr. Hampton seemed to feel that a transfer of jurisdiction to the Pacific Board might go far toward solving the association's dispute with the companies, the directors agreed to defer definite action pending a final reply from The Rocky Mountain Fire Underwriters Association and an investigation of the results which would come from such a change.

It was announced, however, that decisive action in some direction will be taken shortly. "We're determined to get the commissions we deserve and we're not going to let up until that's accomplished," one member of the board declared.

Following up a discussion held at the convention, of the right of municipal corporations in Colorado to buy mutual insurance, the board appointed a special committee composed of Herbert Fairall, Hal Van Gilder and Max Schayer, all



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of Denver, further to investigate this matter.

At the board meeting, Frank Cotten, Jr., announced that he had obtained an opinion from a Colorado Springs law firm to the effect that under state law, municipal corporations do not have any legal right to buy mutual insurance. Mr. Fairall has forwarded Mr. Cotten a copy of a 1932 opinion by the attorney-general which holds, following a Pennsylvania supreme court decision, that mutual insurance may be purchased by school districts, etc. After further consultation with the Colorado Springs law firm by the local board there, the state committee may bring a test case.

#### Opinion of 1929 Reversed

In 1929 the attorney-general handed down an opinion declaring that it was illegal for school districts to buy mutual insurance but this decision was reversed in 1932. In a conference with the governor and the attorney-general late last year, Mr. Fairall brought up this matter. Governor Carr declared that in his opinion state sub-divisions did not have the right to buy mutual insurance. When the governor asked the attorney-general whether he would support that view, he nodded affirmatively.

The board also approved plans for a tri-state meeting of Colorado, Wyoming and New Mexico agents to be held in Denver sometime within the next 30 to 60 days and laid the groundwork for holding a series of educational meetings throughout the state designed to attract the attention of the insurance buyer to the values of buying insurance from his local agent.

#### Will Fix a Date

President Hampton was instructed to fix a date for the meeting and to get out invitations to the Wyoming and New Mexico agents. Officers and directors of the other associations and such other members as care to come will be invited. Purpose of the meeting is to discuss common problems of the agents in the three states with the view of possibly forming a strong tri-state organization.

Bay Crockett of Pueblo, former president of the Colorado association, was delegated to formulate arrangements for an educational meeting there. Harold Foster of Salida and Frank England, Jr.,

of Denver were given the same assignments for their territories.

The plan is to make each of the meetings a two session affair in which the first will be a closed one for the agents and the second a general gathering to which large buyers such as credit men will be invited. It is proposed to invite Commissioner Kavanaugh as a guest speaker at each of these meetings.

#### Hope to Settle Chicago Cost Situation Soon

(CONTINUED FROM PAGE 21)

was fair and right where a company was seeking relief.

Some companies have regional agents and there is no provision now for the middle ground between the local agent and general agent. Relief may be desired in some cases where a company has built up a regional agency plant.

If the entire casualty acquisition cost conference at its meeting this week sanctions the recommendation of the McKell committee it seems to be the consensus in Chicago that the situation can be worked out in due season. The McKell committeemen were told in New York that it might require five years or even 10 years before the coveted goal was reached. They were told, however, that this situation has been in course of development and evolution for many, many years and the roots are deep in the sub-soil.

#### Chiseler Group Exasperating

In connection with the casualty acquisition cost movement in Chicago, supervising offices realize that one of the most exasperating features with which they come in contact is the so-called trading or "chiseler" group. These are largely the brokers or agents who secure a fairly good piece of business and then begin visiting various offices, pitting one against the other and endeavoring to secure the topmost brokerage. Competition is exceedingly keen and the companies desiring business are led into the trap, being pitted one against the other.

The Bank of Rison, Rison, Ark., bought the agency of the late J. T. Haskins from his estate and will operate it in connection with the bank's insurance department.

## Union Mutual Gets Mass. Accident

(CONTINUED FROM PAGE 21)

cellable policies, will be turned into the non-cancellable fund for the benefit of the non-can policyholders. In addition, this non-cancellable fund will receive one-half of all the profits derived from all new cancellable policies for a period of five years from the date of the agreement. The agreement sets forth in detail the method for valuation of securities and for determination of profits in the handling of the cancellable business. The non-can fund is to receive interest at 3 percent. Operating expense in the non-can department of the reinsuring company is not to exceed 15 percent of the net premiums, plus out of the office costs. All future premiums on the non-cancellable business go to the reinsuring company for deposit in the non-cancellable fund.

On all claims pending or filed not later than 20 days after the effective date of the agreement, the claimants under non-can policies would receive 50 percent of the indemnity provided in their contracts. Claims arising later are to receive from 25 percent to 100 percent of the indemnity depending upon the contract forms and the attained age of the policy owner. The holder of an original renewable-for-life policy, age 63, would get 25 percent of the policy indemnity and if age 55 would get 40 percent, with gradations for intervening ages. This scale applies to forms 147, 151, 151A, 155, 155A, all without rider 157.

For contracts renewable to age 65, indemnities run from 30 to 40 percent depending upon age. For contracts renewable to age 60, indemnity percentages run from 32 to 40 percent, ages 55-59. All issues of form 501 would receive indemnity of 65 percent and all issues of form 300, 300A, and 300B would receive 100 percent. The indemnity schedules and setup are based on the experience of the company.

#### Life-Renewal Contracts

For life-renewal contracts, there would be renewal rights to age 60 for those policy owners under age 55 while those 55 years or more of age would be given the privilege of five years renewal on any of the old contracts providing renewal for life or renewal to age 65. Principal sums would be paid in full. Premiums would remain the same as were regularly paid before. Whenever there is sufficient surplus in the non-can fund to warrant adding at least 2½ percent of the amount of the original indemnities, then the commissioner of Massachusetts may direct larger payments. When the non-can fund has been reduced to \$50,000 there will be a final adjustment of indemnities to be paid.

Twenty percent of the non-can policies of Massachusetts Accident now in force are in the renewable-for-life class. Nearly all of the remainder are renewable to age 60. All provide life indemnity. The first procedure of the department was to set a limit on the renewal age in order that some basis might be used for setting a minimum figure of indemnity payments below which it is believed these indemnity payments would never go. It was a purpose of the department to set up the indemnity schedule so that the payments to claimants might never fall below the original amount set.

The chief objective of the department was to realize everything possible for the non-can policyholders. Ordinary liquidation would have lost entirely for these policyowners any value of the existing agency plant. This plant has continued to produce premiums at the same level in 1939 as in 1938. The total cancellable premiums, the only class written for several years, in 1939 totalled \$726,335 as compared with \$691,954 in 1938. In spite of a withdrawal from one state represented in the 1938 figures.

The company lost no important agencies in 1939. The loss ratio in 1939 was approximately 49 percent. It is calculated on a reasonable basis that the non-can fund may receive as high as \$300,000 under the profit arrangement.

The claimants will get regular incomes extending as long as the disability instead of getting lump sums after possible long delay and effort to prove the amount of the claim. Under the commissioner's plan deduction for liquidation expenses which under old methods might easily have reached \$250,000 will moderate.

President R. E. Irish of Union Mutual states that the business of Massachusetts Accident will be operated as a department of Union Mutual with Chester W. McNeill as manager. Mr. McNeill, who is president of Massachusetts Accident, will become vice-president of Union Mutual.

#### Statement By Harrington

Commissioner Harrington said: "After several months of careful study, we have concluded that it is in the best interest of the policyholders of the Massachusetts Accident Company that a reinsurance and management agreement be consummated. The Union Mutual Life Insurance Company, a sound and well managed company, has made arrangements to write accident and health insurance. The proposed contract, which we have petitioned the court to approve, in our opinion safeguards the interests of all policyholders of the Massachusetts Accident Company and all interested persons, insofar as the assets of the company permit.

"These benefits for non-cancellable policy owners have been computed by an impartial actuary employed for the purpose by the Massachusetts insurance commissioner, and verified by the actuary of the Massachusetts department.

"Every possible plan was given consideration by the Massachusetts department, but all other plans were rejected because of the fact that the benefits to the non-cancellable policyholders under the agreement offered the best results.

"The Union Mutual Life is a sound financial institution, 92 years old, and is presently successfully operated by competent management."

## Earthquake Rating Improved

(CONTINUED FROM PAGE 3)

it is possible for two or more of these areas to be affected at the same time by the same seismic disturbance. He said that while the intensity of a shock is important, the duration is likewise important but unfortunately little information is available on this point.

"Earthquake insurance should be regarded as purely catastrophe insurance, for there is not enough of it to go around. Occasionally an earthquake causes a fire of conflagration proportions, but with the improved fire protection in the larger cities since 1906, the danger of fires following earthquake has been greatly lessened. The so-called 'fire' of 1906 was, of course, primarily an earthquake. Perhaps the fact that there was a fire saved many people from complete bankruptcy. Under the present excellent fire protection conditions, an assured cannot count on his fire policy, as in 1906, for complete protection. In order to be safe, he must have either earthquake insurance or a first-class building."

Mr. Badger pointed out that many cities are far behind the time in developing proper building codes and enforcing them and that "San Francisco can safely be counted in this class." While a great deal has been done throughout California to improve building construction, the vast majority are plain buildings with little or no attention paid to the earthquake hazard.

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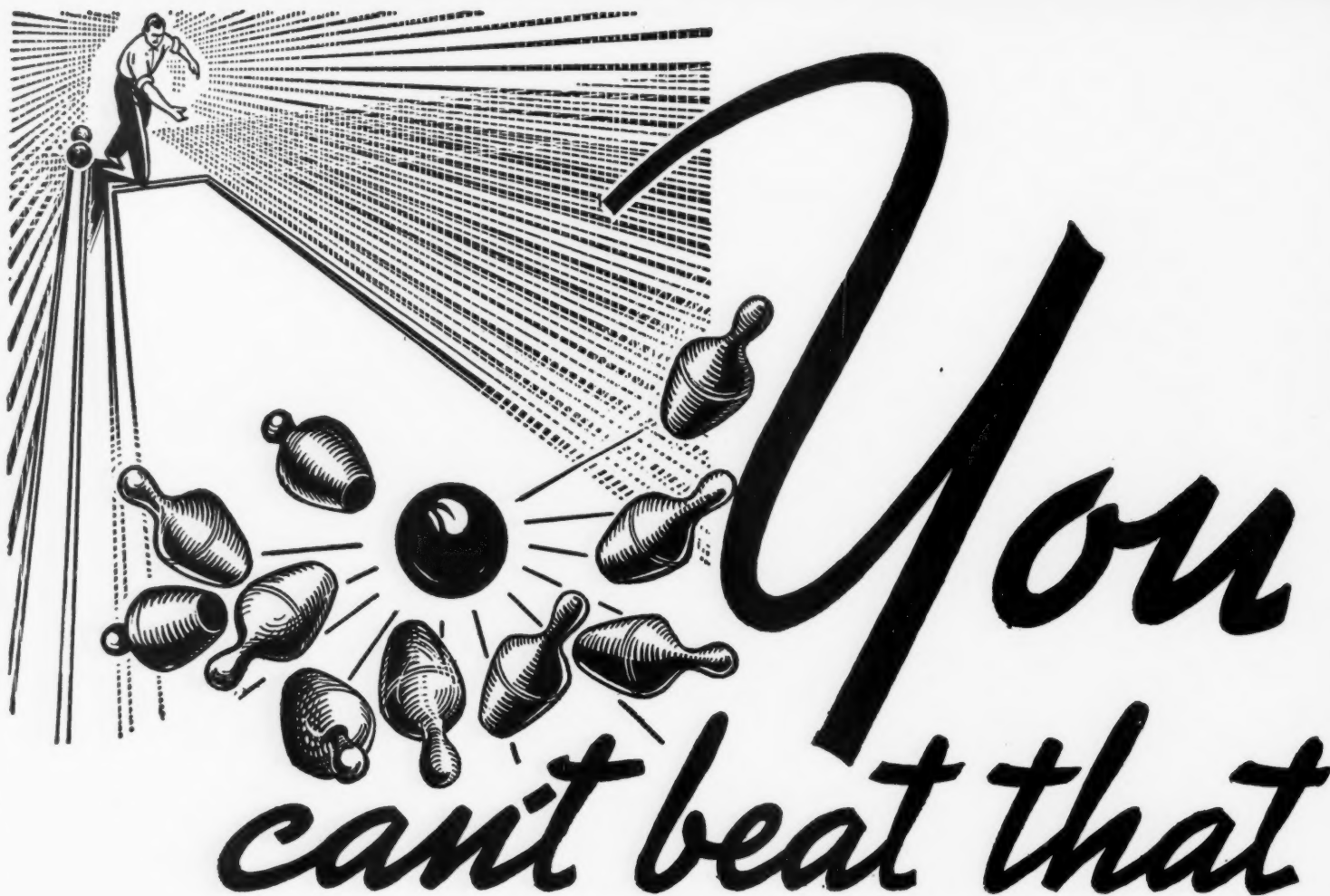
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